



Legislative Assembly Of Manitoba

DEBATES and PROCEEDINGS

Speaker

The Honourable A. W. Harrison



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THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Tuesday, March 27th, 1962.

Bills No. 24, 26, 27, 31, 36, 41 and 42 were read section by section and passed.

MR. CHAIRMAN: Committee rise and report. Call in the Speaker. Mr. Speaker, the Committee of the Whole has considered certain bills and asked me to report as follows: Bills No. 8, 9, 10, 11, 13, 15, 18, 19, 23, 24, 26, 27, 31, 36, 41 and 42 without amendments, and ask leave to sit again.

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

Mr. Speaker presented the motion and after a voice vote declared the motion carried. Bill No. 8 was read a third time and passed.

MR. W. B. SCARTH, Q.C. (River Heights) presented Bill No. 9 for third reading. Mr. Speaker presented the motion.

MR. SPEAKER: Are you ready for the question?

MR. PAULLEY: Mr. Speaker, I indicated this afternoon when we were in committee stage dealing with this bill that I would have a question or two to raise on third reading and I propose to do so now.

On the second reading of this bill, Mr. Speaker, I raised the question as to whether or not we do not have in the Province of Manitoba too many loan companies at the present time. At that time I said that I was not going to suggest that the bill be not proceeded with. However, I indicated that I thought that the Legislature of the Province of Manitoba should take under consideration the whole question of the rapid growth of loan companies within our province, and the detrimental effect that easy credit is having on the citizens of our province, and indeed, Mr. Speaker, right across the whole of the Dominion of Canada.

I do not think that there is any doubt whatsoever that in this so-called affluent society that we're living in at the present time, that it is too easy to obtain credit, and that many of our citizens are getting themselves into deep water as the result of easy credit and the attractions over radio and TV, and through the media of our newspapers respecting credit. During the supper hour this evening for instance, Mr. Speaker, I listened to a radio broadcast of a loan company which is authorized by this Legislature to operate in our province, suggesting once again that those that find themselves in difficulty should take out what they call a "Bill Payer's Loan"--a loan up to \$2,500; consolidate your debts; come under our umbrella and your problems will all be solved.

This morning, Mr. Speaker, I had a young man come into my office. He had with him demands of credit corporations, about 10 different credit corporations, that was demanding from him payment for loans that he had received. You may say to me, and with some justification possibly, that this particular individual should not have gone over his head in respect of loans. The sum total of the loans that he was being pressed for over the period of the last two or three years amounted to the extent of \$3,000. He had defaulted in payment of some of these loans. For a period of time he was without employment; he was on Social Welfare; arrangements had been attempted to have partial payment made to the finance companies which were looking after the collections of these loans over a period of time. This particular individual after coming off of Social Welfare in one of the cities of the metropolitan area of greater Winnipeg, obtained a job with a reputable organization in the greater Winnipeg area. As soon as he was in a position to collect his first pay cheque a garnishee was directed against him--

MR. SCARTH: On a point of order, the honourable member is speaking of a finance company as we know it, not a loan company. This is a company coming into Manitoba to make loans on real property; and while his speech is interesting it has nothing to do with the Bill before the House.

MR. PAULLEY: Mr. Speaker, it matters not to me whether or not the honourable gentleman who is the sponsor of this Bill disputes with me the points that I am raising. I want to point out to you, Mr. Speaker, that in the Bill that we have before us, is contained the statement "that whereas the company is a loan company within the meaning of the Companies Act"--

(Mr. Paulley, cont'd.) . . . and that is the basis on which I am directing my remarks. And that this particular company, no matter what the Honourable Member for River Heights may say that its objectives might be, it is still nonetheless another loan company coming into the Province of Manitoba to establish itself in business. And I say, Mr. Speaker, to get back to the point that I was raising, that this particular individual who after a period of unemployment had obtained a job and the minute that he had obtained a job and was to be in receipt of a pay cheque, had a garnishee issued against him. This garnishee went, of course, to his employer and the employer on receipt of notification of the garnishee called the employee into his office and told him that we do not recognize garnishees and we will not keep in employment individuals that have garnishees against them.

After having a considerable amount of discussion with this particular individual this morning, I 'phoned up one of the Judges of our Family Court, because of the fact that he is a family man and has youngsters, to see whether or not the Family Court of the Province of Manitoba might be able to give the particular individual guidance as to what he might do because he had got over his head in debt as the result of easy loans. The learned Judge told me that the Court had no jurisdiction over this at all but expressed the hope that the Government of Manitoba, and in particular its Attorney-General, might undertake to get the federal government to introduce legislation to replace the legislation that has been just declared ultra vires, The Orderly Payments of Debt Act. If you recall, Mr. Speaker, the other day we dealt with this question and that at the present time despite the fact that this was a case that the previous Orderly Payments of Debt Act might have considered that an individual in the predicament of the party that I refer to, no longer has recourse to that court. He was directed by a Judge of the Family Court to the Family Bureau on Edmonton Street. I do not know, Mr. Speaker, what the result of that interview with the Family Bureau may be. I await with interest.

But I say, Mr. Speaker, to you, and I say to this House that it is time that we in this Legislature realize our responsibility and curtail the expansion of loan companies in the Province of Manitoba. I appreciate, and I realize the fact that there are many companies who are loan companies in the Province of Manitoba operating under proper authority that have the rights of expansion. But I also say, Mr. Speaker, that we should be more careful than we are. We are considering, or I hope we are going to consider, because it was announced in the Throne Speech, that the government will be introducing legislation in respect of disclosure of interest rates chargeable on loans. I suggested to the Honourable the Attorney-General that if it is not within our power to control interest rates then we should make representations of the Legislature to the Government at Ottawa to do it.

My honourable friend, the sponsor of this bill, has indicated to me that the particular company concerned does not deal with loans of a category that I have raised in this House. I want to draw to his attention, however, and to the attention of this House, a news item which appeared in the Winnipeg Tribune of March 12th dealing with the business world, the editor of which is Mr. Clarence Fairbairn, who makes reference to the Industrial Acceptance Corporation which is the company concerned with this particular bill. I want to read to you, Mr. Speaker, and to the members of the House the comments contained in this news item, and I quote: "Industrial Acceptance Corporation officers this week expressed concern over the expanding activities of the Industrial Development Bank, stating the evolution of a state enterprise into the private sector must be viewed with deep concern. The IAC annual report released Friday and signed by Grant E. Wemp, Chairman, and Joseph H. Ranahan, President, also noted the Company face increased competition, particularly in the installment credit field, from banks and tax exempt credit unions. Referring to the IDB activities the report said the banks increased loaning powers had brought it into fields which served this industry. In the opinion of your company and others in its industry, this crown company has expanded far beyond its original purpose and is now an active competitor of income tax paying private enterprises like your own." I read that, Mr. Speaker, because of my conviction that loan companies and the rapid expansion of loan companies are detrimental to the people of the Province of Manitoba. I appreciate very much the fact that members who support the likes of the bill that we have before us may say to me that if people are gullible enough to listen to the ads on TV and radio that it serves them right. I say, Mr. Speaker, that we have a duty in this House to perform. I say that it is our duty to protect the gullible. I say that the individual that conversed with me today

(Mr. Paulley, cont'd.) . . . on his own particular personal problem is not an exception; I say that he is just an indication of the problem that we have before us. And therefore, Mr. Speaker, I suggest that it is proper for me and for my group, holding the convictions that we do--and we hold them in all sincerity, and I suggest that these should also be the convictions of every member of this House--cannot accept this bill that is before us today, and I appeal to all of the members of this Legislature to take under consideration and to consider where we are going in the Province of Manitoba and in other jurisdictions with making ever more attractive the field of loan credit within the Dominion of Canada.

Mr. Speaker, may I suggest to you that one of the reasons that the individual that I have spoken of, who came to see me this morning is in the predicament that he is in, is because he can go from loan company to loan company to loan company and get up into his neck in debt like he is at the present time. No questions are asked. Anybody can obtain freely credit. And I appreciate the fact--I appreciate the fact very very much that people do not think before they accept a dollar down, a dollar a month; buy your car on time; no payments now; none to start until next June. Build yourself a recreation room; no charges until next April or May or whatever the month may be. These attractions, Mr. Speaker, may I suggest to you are attractions that are undermining the well-being of all of the people of Canada and of our province, and I suggest to the members of this Legislature that we should bring this matter forcibly to all concerned. And while I say to my honourable friend, the Member for River Heights, I do not suggest to him that his company is any different; I am not using his particular bill because he introduced it, but simply, Mr. Speaker, because of the fact that it is the first bill of a number of bills that's extending in the Province of Manitoba loan companies and organizations which we haven't got at the present time, and that is the reason, Mr. Speaker, why I am using this opportunity to draw this to the attention of the members of the Legislature. And I say this, Mr. Speaker, and I say it in all sincerity, reject what I say tonight if you will, but I predict that ere long the members of this Legislature will have to in fairness to all the people of this province, come along and adopt the psychology, to adopt the arguments that I place before this House today. And so I say, Mr. Speaker, we of this party are going to vote against, on a matter of principle, the third reading of the bill that we have before us.

MR. CAMPBELL: Mr. Speaker, may I ask my honourable friend a question? I'd like to ask the honourable gentleman who has just spoken if he thinks that all the loaning should be done by the government?

MR. PAULLEY: No, Mr. Speaker, I wouldn't suggest that it is essential that all of the loaning should be done by the government; but I do suggest this, that it is a duty of government to make sure that the citizens of the jurisdiction in which the government has control, does not get into the predicament as the individual that I used as an illustration here this evening--(interjection)--Yes, Mr. Speaker, my honourable friend from Brandon says he got into it himself. Mr. Speaker, I say this is perfectly true; but I also say this in answer to my honourable friend. He got into it himself it is true; but, Mr. Speaker, does not this Legislature, does not the Minister of Health, does not the Minister of Welfare undertake the well-being and care of people who have got into predicaments that they can't take care of themselves in the field of welfare and health, and I say that while we have accepted that principle in Health and Welfare, we have to accept it also in the matter of finance, to do our duty as members of the Legislature.

MR. LISSAMAN: Would the Honourable Leader of the NDP Party permit a question? Would you like the government to govern every action of this young fellow you're putting forward to us as an example? Would you like us to say you may or may not borrow money?

MR. PAULLEY: No, Mr. Speaker, I would not say that at all. Ah! My honourable friend the Minister of Industry and Commerce laughs. He sure does, because he is one of those that may not be so gullible--(interjection)--but I say, Mr. Speaker, I say this in answer, that we have legislation in the Province of Manitoba to protect people. We have our laws to protect the innocent from those who would be otherwise; and I say this that within the last 10 or 15 years, and particularly those 10 or 15 years, we have permitted--and I say wrongly--attractions to be made to the gullible, and we have them with us and we must recognize that, the whole business of easy credit without responsibility, and it is up to us to protect these people.

MR. J. D. COWAN (Winnipeg Centre): Mr. Speaker, I know this is a serious matter,

(Mr. Cowan, cont'd.) . . . but would the Leader of the NDP permit a question? Would you please tell us how we can stop that young man from buying things?

MR. PAULLEY: Yes, Mr. Speaker, I'll gladly answer that question. I would suggest this--that it should be a requisite on loan companies before any additional loans are granted to an individual, to find out first of all what his personal ability is to pay any loans that he has before going further into debt. Now, Mr. Speaker, it might be said that is not this done? My answer is no, it is not done, because I have received through my mail, and I suggest, Mr. Speaker, that you may have too, cards which said, "you are a first-class risk--just come down and you can get all of the credit that you want."--(interjection)--Yes, look who I am. But this, Mr. Speaker--and I'm surprised, or maybe I'm not so surprised--at some of the honourable members in this House laughing at this. I suggest, Mr. Speaker, that this is nothing to laugh about. I suggest that this is a very serious proposition and that is why I am raising it. Credit--you can get it anywhere, just on a signature, but the thing is, in answer to my honourable friend, we do not lay enough emphasis on the penalty for taking the loose credit that is obtainable to anybody. As a matter of fact, Mr. Speaker, on the question of easy credit--on the question of easy credit. I have a daughter--and this is no laughing matter, although my honourable friends think it is--I have a daughter who is just seventeen--(interjection)--She can borrow, and that, Mr. Speaker, I suggest is a violation of the purposes of the laws of Canada because she has received indications that she can receive credit on her own and pay out of her weekly allowance to the corporation or to the organizations or stores that will grant her this credit. And I say, Mr. Speaker--Are you going to stop me?

MR. SPEAKER: You were attempting to answer a question.

MR. PAULLEY: I beg your pardon?

MR. SPEAKER: You've gone a little further than answering the question of the Honourable Member--

MR. PAULLEY: Well, Mr. Speaker, we're dealing on the question of a third reading of a bill and I think that I am perfectly legitimate in answer to the question--I think that I have the perfect right--I think it is legitimate of me to answer the way it is. Now, Mr. Speaker, let me say again to the members of this House--laugh if you will--(interjection)--Yes, I'm looking at my backbench--they're laughing too. But one thing, Mr. Speaker--one thing, Mr. Speaker, I'm going to suggest, that my members behind me are going to vote with me in this. Do you realize the seriousness of this proposition that I have raised?

MR. SPEAKER: You were answering a question, were you not?

MR. PAULLEY: Pardon?

MR. SPEAKER: You were answering a question, were you not?

MR. PAULLEY: Yes, I was answering a question, Mr. Speaker, and I might say to you in all due respect to you, I'm surprised at you laughing on this very important matter, and I'm prepared to answer any questions. I make an appeal to the members of this House. Cut out your laughter. This is no laughing matter. This is one of the difficulties that Magistrate Isaac Rice faces every single day in the Courts of the City of Winnipeg--it's nothing to laugh at. Every day, Mr. Speaker--

MR. SPEAKER: Order! Order!

MR. PAULLEY: Order! What is the order?

MR. SPEAKER: Order?

MR. PAULLEY: That's all right. I've not exhausted my forty minutes.--(interjection)--Oh, no. Mr. Speaker, on a point of order, may I suggest to you that I have the privilege of speaking for forty minutes, and if I'm asked questions I can continue. I reject any suggestion from my honourable friend, the Leader of the House, on a point of order, that I haven't got the right to use my full forty minutes if I'm interrupted by questions--and I'm going to do it. I'm going to do it unless Your Honour says that I can't and abrogates my right to do so. So I say, Mr. Speaker--Are you going to stop me?

MR. SPEAKER: You were still speaking.

MR. PAULLEY: Well, Mr. Speaker, I'm wondering why you are standing. So I say, Mr. Speaker, and I appreciate to some degree the humour--I appreciate to some degree the humour with which my honourable friends are approaching the problem that I am suggesting to this House. It may be funny to them, Mr. Speaker. I suggest it is not funny at all to the homes

(Mr. Paulley, cont'd.) . . . that have been broken; to the homes that have been disrupted because of the facts that I have drawn to the attention of this House.

Just last Sunday, Mr. Speaker, in my own little church, in the City of Transcona, my rector gave an address on the very points that I am raising to this Assembly today. I suggest to the honourable members of this Assembly that he did not stand up in the pulpit and laugh. He realized, he realized the importance of what I'm attempting to do to this House today. He realized the importance, and did not laugh, when he drew to the attention of his congregation situations such as I have raised to this House this evening. I say, Mr. Speaker, it is no laughing matter. It is a serious business. And while I appreciate the fact, while I appreciate the fact, and I say this again, Mr. Speaker, we have this problem with us--How else can we have an opportunity in this House than to take the action that I am doing this evening, to draw it forcibly to the members of this House? We are dealing in our daily lives as members of this Legislature with all the human problems of the people of Manitoba and of the Dominion of Canada. From time to time we discuss the questions of unemployment; we discuss the questions of whether or not our citizens are entitled to health care, welfare benefits. I say, Mr. Speaker, that we've also got to look after other benefits, and if we as responsible members of this Legislature, as representatives of the public, continue to allow the gradual expansion of loan organizations and free credit, then we are doing an injustice to our fellow humans here in the province, and we are not facing up to our responsibility.

For that reason, Mr. Speaker, I have raised this point tonight and am going to vote against the third reading of the bill that we have before us.

MR. COWAN: Mr. Speaker, I would just like to make a comment or two. I know it is serious; but I know that the Honourable Leader of the NDP didn't answer my question. I said, how can we stop these people from buying things? Most of these debts are incurred when they go to buy something, not when they go to borrow some money, and there seems to be no way that we can stop people from buying things on credit. The best that we can do and the best that he can do is to try and educate as many people to try and live within their means and not buy too many things. By voting against this Bill we don't help the credit situation in Manitoba because they can still buy these things and make these loans from many others, and in fact if we have a little bit more competition we will tend to bring down the interest rates.

Only the other day I received a letter from one of the mortgage lending institutions advising that they were loaning mortgage money, first mortgage money, at such and such a rate, which was lower than anybody else; and if that particular company hadn't been in business in Winnipeg well everybody would have to pay the higher rate that everybody else is charging. And another company has recently come in from Alberta to loan money and it is loaning money over 15 years, and, generally speaking, unfortunately these people usually who buy older houses will have to get a second mortgage loan repayable in 5 years. Now there's a company, because of additional companies coming in, that will loan it over 15 years and they don't have to worry about trying to refinance their money at the end of 5 years, so by having a few more companies we will get our interest charges down to some extent. Now there's many times we can help these people if we can advise them to go to the bank. Only the other day a person came into the office and they wanted to borrow some money on a second mortgage. I said, try the bank, and they went down to the bank and they borrowed \$500 at 6%--\$500 payable back in six months' time for \$15 interest. They hadn't had a bank account before, and so if that particular bank we'll say hadn't been in business then they wouldn't have been able to borrow that money at such a low rate. And, too, we find that very often when a person is in difficulty like that, if you write to all these companies to whom you owe the money and undertake to pay \$3 a month, \$5 a month or something like that, that very often--and recently I had occasion to do so, write about 15 of them--everyone agreed to take--we explained the situation--everyone agreed to take \$3 or \$5 or \$10 a month--what the chap felt he could afford to pay. So very often arrangements can be made for the poor fellow that's down and out and has got himself in too deep.

MR. PAULLEY: Mr. Speaker, I wonder if the honourable member would permit a question. What was the rate, and how much was it reduced on the mortgages that he was speaking of as a result of another company that he spoke of coming in?

MR. COWAN: The first mortgage? It wasn't very much, but it was 6-3/4 instead of 7;

(Mr. Cowan, cont'd.) . . . the usual interest rate up until a month or two ago had been for everybody else 7, and there it was 6-3/4--(interjection)--Well this firm from Alberta, they loan all on a first mortgage. Instead of a person having to borrow both on a first and second mortgage they loan all on first mortgage and it is more advantageous than having to go and borrow on a first and second as most people have had to do up until now.

MR. PAULLEY: What do they pay on the second mortgage?

MR. COWAN: It's all on the first mortgage--it's all in one mortgage.

MR. MOLGAT: Mr. Speaker, I don't really intend to use up my 40 minutes but I'm prompted by the comments of the Leader of the NDP to say a few words on this bill. I think it exemplifies some of the basic differences between the leader of that group and, I presume, his followers, and certainly those in our group and myself. My honourable friend obviously does not believe in competition. We do. My honourable friend obviously believes in protection. We don't. I think this is the essential element in what he said this evening. I think all the members of the House agree that there may be abuses in this field; and if there are abuses then they should be corrected. My colleague, the Member from Selkirk, has proposed to the House on two occasions, and this year the government in its Throne Speech is proposing to do something about the clear cut statement of the rate of interest on loans of that nature. But this is the important part that will reduce them. What will reduce these things? It's getting them out in the open--it's getting competition into the field. My honourable friend says there are abuses and the way to correct the abuses he says, is to limit the number of companies operating in the field. Mr. Speaker, I submit that that's the very reverse of what should be done. If you limit the number of companies in the field, you are giving those companies a protected field in which to operate. You're giving those very companies a private preserve in which they can charge that which they will.

The position that our party takes in this matter is very clear, Mr. Speaker. We say the more competition in the field, the better. If there are abuses then correct those abuses by making the necessary changes in the law. If there are abuses in advertising then make the necessary changes in the law about improper or illegal or untrue advertising. Make those changes. If the rates of interest are being improperly shown, then make the changes in the law that the rate is correctly shown; but surely that is the way to approach the problem and not to limit the number of companies in the field. So far as myself am concerned, I intend to vote for this Bill and for other Bills of companies that are prepared to come in here and operate under the laws and follow the regulations that we establish and to provide more competition. I think that this is the way that we will protect the public. We will make the laws that are necessary if we find abuses. It's not by limiting competition that we will solve the problem.

MR. ORLIKOW: Mr. Speaker, I think that the one true thing which the Leader of the Opposition said was that the approach to this problem--not to this bill, the differences between the parties in this House are exemplified by the approach to this problem. I want to suggest that the increase in competition between these companies has helped only these companies. We don't have just one bill, we've got 6 or 8 bills for new companies or for their expansion, and if one wants to study companies that are making money just look at the reports in the Financial Post. The companies that are making the most money--the companies that are making the biggest return on their investment are the loan companies. They're the ones who are making money and they are making it out of the sweat and blood of the ordinary people of this country because the people who have money are the people who, if they need to borrow money, temporarily, can go to the bank and get it for 6%. The people who go to the loan companies are the poor working stiff who can't get it from the bank because they haven't got security and they've got to go to these companies. And what do they pay? The Honourable Member for Winnipeg Centre was very careful not to give any indication of what do they pay. What they're paying is somewhere between 18 and 24%. And what are working people in this city who have to buy a house and who can't finance it with a first mortgage--what are they paying on the second mortgage? 18%, 20%, 25%--these are the facts. And people are going in over their heads. The Honourable Member from Brandon suggested that there isn't anything we can do about it. I suggest that there's a great deal that we--(interjection)--well you intimated--(interjection)--well you know the words that you said. You said that we couldn't do anything about it, or we ought not--(interjection)--oh well, I'm not worried about what we got into because I think we

(Mr. Orlikow, cont'd.) . . . are speaking for the ordinary people. You spoke, and, Mr. Speaker, nobody suggested, the leader of our group didn't suggest that by turning down this bill, which we know will not be turned down by this House, that by turning down this bill even if this House would do it, would we succeed in solving the problem. But this is one way we have of expressing our dissatisfaction with the situation.

Now, the Honourable Member the Leader of the Opposition says that by competition we will get somewhere. Mr. Speaker, surely he knows that there's no real competition in this field. There's only competition in how to get the loans out. There's no competition in the rates. If the former government had wanted to do something about this, which they obviously didn't; if this government wanted to do something about this, there's something which they could do very simply and very practically. They could give the department of co-operatives and credit unions some money to operate, to go out and organize credit unions which would loan money to people who need it at 12% a year or less instead of 24% a year. But, of course, that government wouldn't think of it because it didn't suit them--(interjection)--Certainly, we always have wanted it; we want legitimate honest competition which you don't get from these loans companies. So I suggest to the members of this House if they really want to do something about this question that when we get to the item in the estimates, if we ever do this session, dealing with co-operatives and credit unions that that's the place that we could very well have an increase from the very pitifully small amount which we now provide and give the department a chance to go out and tell the people of this province who need the assistance that if they want assistance, if they want technical advice and know how in how to organize credit unions that that's a way you can really get the people of this province money at a legitimate rate which these companies are certainly not offering.

MR. MOLGAT: Would the honourable member permit a question? Does he feel that the answer to the problem then is to limit the number of companies operating in the field?

MR. ORLIKOW: I don't and neither does our leader. He said that this wasn't--all he said and all we say is that this is the chance at the moment to indicate our dissatisfaction with the situation. And I wonder, Mr. Speaker, why members opposite are laughing. I wonder how many of them will go back to their constituencies and tell the poor devils who get into the clutches of these loan companies that they're satisfied that they're getting a fair deal when they're paying 2% a month or more for loans. I certainly wouldn't tell the people of my constituency this is a very happy situation.

MR. COWAN: Would the honourable member permit a question? Like your leader has said, most of these people get into trouble because they buy too many things on time. How do you propose to stop them from buying?

MR. ORLIKOW: Well, Mr. Speaker, I suggest to the honourable member that if he wants one way--I don't say that it's the best way or the only way--but the former federal government found a way when they wanted to restrict credit. They said that anybody who wanted to buy something had to put--I forget the exact amount now--but 25 or 40% of the down payment down. There are ways if you want to do it; and it can be done.

MR. MOLGAT: Would the honourable member permit a question? Does he advocate that there be a limit of 25% down payment?

MR. ORLIKOW: I'm not advocating that at the moment. We're not the government. It worked at that time. The honourable member wanted to know how it could be done; I told him one way it could be done. And I suggest to you that if we were the government we would find ways to handle this situation.

MR. E. R. SCHREYER (Brokenhead): Mr. Speaker, the statement, the rather short statement that the Leader of the LP Party made just a few minutes ago is, I think--I hope the most naive that he will make this session. I certainly wouldn't want to hear him make any statement that was more naive than that one. Because if he really believes that allowing into this province the operation of one or two or three more loan companies is going to have any effect as to lowering the cost to the user by way of competition, he must be joking. I think members will agree that we have already a multiplicity of loan companies in operation in this province and has this had any effect upon providing to potential borrowers money at a reasonable rate of interest? Who here will say that money today is available at a reasonable rate of interest through finance or loan companies? If you have a look at the second mortgage picture,

(Mr. Schreyer, cont'd.) . . . it's almost criminal. But nevertheless that's the way it continues, and if the honourable member is so proud of the Liberal record with regard to free and freer trade and unrestricted competition being one of the ways in which to cure the ills, the economic ills of our country, he better take a close look at what happened in Ottawa not very long ago when a Liberal Senator did have the moral fortitude to propose in the Senate a bill which would require companies to reveal the rate of interest, and it was defeated by Liberal Senators. They voted en masse against it. Some protection for the average person who has to resort to these means of obtaining money. It's quite a wonderland this world of credit. And in the 22 years that the Liberal Government was in power in Ottawa not very much was done toward this goal.

But getting back to the bill at hand. I don't think I ever left it, quite frankly, but the principle involved here. Why is it that all of these Liberal Senators voted against Senator Croll's bill? Our leader did not suggest that he was primarily speaking because he wished to oppose the entry into this province of one more loan company. What he was dealing with was the principle, dealing with the principle, the fact that we have already a multiplicity of companies, and if competition is ever going to work it should have been working by now, but it hasn't. It hasn't been really in operation. The element of competition in the money lending business is dead, sort of a fixed field.--(interjection)--Oh yes. That's pretty effective. I had a few more remarks about the so-called Liberal love for competition but I think I would be slightly out of order at this stage. I'll get to it somehow, Mr. Speaker.

MR. FRED GROVES (St. Vital): Would the honourable member permit a question? Why would he or the other members of his group in order to protect people such as the one that was described by the Honourable Leader of the NDP from the loan sharks, and we all admit there are--(interjection)--Oh yes. No we admit there are some.--why would they in order to cure this evil discriminate in this case against a company who isn't even in that line of business?

MR. SCHREYER: If you're asking me the question, Mr. Speaker, I would have rather you asked my leader, but as I understand it--(interjection)--well if I don't do a good job you can answer it--but it would seem to me that we are not--the member misses the point--we are not opposing the incorporation of this company per se, we are using it as a vehicle with which to register opposition and protest--let the member understand that.

MR. T. P. HILLHOUSE, Q.C. (Selkirk): Mr. Speaker, I think that all the members that have spoken so far in opposition to this bill should really be down in Ottawa. That's the only form in which this matter can be dealt with. We can't deal with it here. We have no right to control the rate of interest charged by a loan company or by a finance company.

MR. PAULLEY: Mr. Speaker, I wonder if the honourable member would permit a question. Might I ask him, can we not in this Legislature of the Province of Manitoba suggest principles to the Government of Ottawa irrespective of whether we're there or no?

MR. HILLHOUSE: Certainly we can, Mr. Speaker, but a Conservative backbencher the other day introduced a bill in the House of Commons the same as Senator Croll's bill and it was talked out.

MR. PAULLEY: By whom?

MR. HILLHOUSE: I don't know. A Conservative majority I guess.

MR. SPEAKER: Are you ready for the question?

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

MR. SPEAKER: Call in the Members. The question before the House is the motion proposed by the Honourable Member for River Heights, seconded by the Honourable Member for Cypress that Bill No. 9, an Act respecting Capital Funds IAC Limited be now read a third time and passed. Are you ready for the question?

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

YEAS: Messrs. Alexander, Baizley, Campbell, Carroll, Christianson, Corbett, Cowan, Dow, Evans, Groves, Guttormson, Hamilton, Hillhouse, Hryhorczuk, Hutton, Ingebrigtsen, Jeannotte, Johnson (Gimli), Klym, Lissaman, Lyon, McKellar, McLean, Martin, Molgat, Roblin, Roberts, Scarth, Seaborn, Shewman, Shoemaker, Smellie, Stanes, Tanchak, Thompson, Watt, Weir, Witney and Mrs. Forbes.

NAYS: Messrs. Harris, Orlikow, Paulley, Peters, Reid, Schreyer, Wagner, and Wright.

MR. CLERK: Yeas, 39; Nays, 8.

MR. SPEAKER: I declare the motion carried. Third reading of Bill No. 10.

MR. HILLHOUSE: I wish to move, seconded by the Honourable Member for Radisson--oh, I beg your pardon--Ethelbert Plains, that Bill No. 10, an Act respecting Coronation Credit Corporation be now read a third time and passed.

MR. SPEAKER: Order.

Mr. Speaker put the question.

MR. MOLGAT: to the Leader of the NDP that he could now proceed to answer the questions that he was not able to answer on the previous bill.

MR. PAULLEY: Mr. Speaker, may I say to my honourable friend the Leader of the LP Party that I can answer any question that he proposes dealing with this very vital subject to the people of Manitoba and Canada.

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

MR. PAULLEY: On Division--

MR. SPEAKER: House agreed? Third reading of Bill No. 11.

MR. ROBLIN: I take it, Sir, that you are asking whether we agree to the notation "on division" after the third reading of this Bill. I think we'd be glad to oblige my honourable friend and note that it was passed on division.

MR. SPEAKER: Third reading of Bill No. 11, an Act respecting Laurentide Financial Corporation Limited.

MR. HILLHOUSE: I beg to move, seconded by the Honourable Member for St. George that Bill No. 11, an Act respecting Laurentide Financial Corporation Limited be now read a third time and passed.

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

MR. PAULLEY: On Division, Mr. Speaker.

MR. SPEAKER: On Division. Third reading of Bill No. 13, an Act to amend An Act to incorporate "Les Clercs Paroissiaux ou Catechistes de St. Viateur".

MR. MOLGAT: Mr. Speaker, in the absence of the Honourable Member for Carillon, I beg to move, seconded by the Honourable Member for Lakeside that Bill No. 13, an Act to amend an Act to incorporate "Les Clercs Paroissiaux ou Catechistes de St. Viateur" be now read a third time and passed.

Mr. Speaker put the question.

MR. MOLGAT: Mr. Speaker, it's not a finance company.

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

Bills No. 15, 18, 19, 23, 24, 26, 27, 31, 36, 41 and 42 were read a third time and passed.

MR. SPEAKER: Adjourned debate on the proposed resolution of the Honourable Member for St. Boniface. The Honourable Member for Seven Oaks.

MR. A.E. WRIGHT (Seven Oaks): Mr. Speaker, in rising to speak to this resolution I'm reminded that Daylight Time to me means early rising, but I feel that a person can rise early without having to tamper with the clock. Some years ago in our municipality we were able to start our municipal employees out at 7:00 o'clock in the morning and have them finish before the heat of the afternoon by mutual agreement, and I suggest that this can be done quite easily in industry without having to move the clock. Now in Canada we have six time zones--seven if you take in the area of the Yukon--and this in itself is an inconvenience at times. I can remember travelling--leaving here on daylight saving time, arriving at the depot and going onto standard time, getting into Saskatoon and enquiring from one of the natives as to whether they had daylight saving and I was told no; but my informant didn't tell me that they were on Mountain Standard time which was the same as daylight saving time and all of this adds to confusion. And then going on to Edmonton to find out there it's against the law to move the clock at all. So I want to go on record as being in favour of Standard Time because I feel that with all the time zones there's enough complications. Not only that, Mr. Speaker, think of the confusion in small towns. These small towns, by reason of having the railroad running through them, pretty much stick to the central times and for those of us who have to journey to the country at times, invariably find quite a bit of confusion; we're there usually an hour too soon.

Now I know, Mr. Speaker, that while I'm in favour of standard time that this is not the time of year to advocate it and I realize that the chances of getting it are very slim. I'm a great

(Mr. Wright, cont'd.) . . . believer in compromise, so I'm going to go along with the resolution with an amendment, Mr. Speaker. This amendment that I am going to propose is based on the fact that I believe the mover of the resolution overlooked the fact that the first holiday in September is Labour Day and I think that if we are going to have daylight saving time or uniform time throughout the Province of Manitoba that we should include the holiday of Labour Day. That is the last holiday of the summer. With the ending of Labour Day we more or less associate that with the children going back to school and that's the holidays over for another year. So, Mr. Speaker, I'm going to move, seconded by the Honourable Member for Burrows that the motion be amended by striking out the words: "First of September" in the tenth line thereof and substituting the following, "First Tuesday of September"; and further that the words, "Thirty-first August" in the eleventh line thereof be struck out and following substituted: "First Monday of September."

MR. SPEAKER: Are you ready for the question?

MR. D. M. STANES (St. James): Mr. Speaker, I move, seconded by the Honourable Member for Souris-Lansdowne that the debate be adjourned.

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

MR. SPEAKER: Proposed resolution proposed by the Honourable Member for Elmwood and the proposed motion in amendment thereto by the Honourable the Minister of Health, and the proposed amendment to the amendment of the Honourable Member for Roblin.

MR. KEITH ALEXANDER (Roblin): Mr. Speaker, I took the adjournment on this to make sure and that I would have time to make sure that there were no reasons why the report might not be available as suggested by the sub-amendment. I'm pleased to say that I can't think of any in the intervening time I've had. I am in complete agreement with the whole subject matter that has been raised and feel that I will support the sub-amendment and the other amendments as amended.

MR. SPEAKER: Are you ready for the question?

MR. PAULLEY: Mr. Speaker, I'm very pleased to hear that coming from the opposite side. It isn't too frequently that we on this side, particularly in this group, hear from the government of the Province of Manitoba endorsement of resolutions or amendments that are proposed by this group. I think that in the acceptance of the amendment as proposed by my honourable colleague from Elmwood that the government is taking a proper step in their--(interjection)--well no, I disagree with my honourable friend the Minister of Health, I don't agree that they always take the right steps. As a matter of fact, Mr. Speaker, I would suggest that if they took the lead from us in this group then they would be taking the right steps at all times. However, such is not the case. But the purpose--and again I say, Mr. Speaker, I'm glad that the government is going to accept it--the purpose of the resolution was to enable this legislature at its next session to hear what progress the government had made in its negotiations with the federal authorities.

When my honourable colleague from Elmwood introduced this resolution, he did so because it had become evident in many jurisdictions that there was the possibility that the health of the citizens in these jurisdictions was imperilled because of the lack of inspection. And then the Honourable the Minister of Health undertook to, in essence, accept the contention of my honourable colleague from Elmwood, but asked for time to give this matter more full and deeper consideration. But the purpose of the amendment, of course, was in essence that this matter should not be forgotten because of the fact, if I recall correctly, when the Honourable Minister of Health was speaking to this resolution, he suggested that a period of three years may be necessary in order to bring to fruition all that he and his department desired. I'm happy to know that the amendment to the amendment has been accepted because a year hence when we meet in this legislature--unless the Honourable the First Minister decides we should have a general election in the interim and some of us may not be here--but notwithstanding that that, at the next session of the legislature whether we are here as individuals or not, certainly, Mr. Speaker, there will be representatives of our respective constituencies, that the matter will then be brought to the attention of this legislature. I think this is one of the important resolutions that has been brought forward; it is one of those resolutions that should not remain without review year by year. It could conceivably be that a year hence that the Minister might be in the position--and I sincerely hope that he will be--to announce to the legislature that all

(Mr. Paulley, cont'd.) . . . of the matters which were raised by my honourable colleague from Elmwood have been resolved. I appeal to the Minister of Health that while he originally in his amendment suggested that this would take a period of possibly three years, and we are fully appreciative of the fact that our present administration at Ottawa make haste so rapidly backwards, but I do hope that my honourable friend the Minister of Health may be able to announce at the next session of the legislature that progress has been made so rapidly that the well-being and the health of all of the people of Manitoba has been taken into consideration. And I sincerely trust that a year from now rather than some three years from now that the Minister of Health will be able to announce to this Assembly that the problems, difficulties, proposed in the original resolution have been resolved and that the people of the Province of Manitoba can rest assured that all of the meat and all of the meat products that they purchase are government inspected and that there is no question of doubt that their food stuff is Canada-approved.

So I'm happy, Mr. Speaker, that the government has agreed to the amendment as proposed by my honourable colleague, and I wish to the Minister of Health, to the Minister of Agriculture and to any other Minister concerned in this very vital matter the best of luck. If the job can be completed in a year so much the better.

HON. GEORGE JOHNSON (Minister of Health)(Gimli): Mr. Speaker, I'd just like to say a few words at this time because there may be something in the Press tomorrow on this very matter that I should tell the House. I'm glad that our group agreed to the resolution as amended and, as I said, I give the member full credit for bringing in the resolution. As I pointed out during the debate, this matter has been of concern to the department for the last couple of years.

I wish to inform the House that in accepting the amendment as written, we do hope to sell our plan to the federal authorities and certainly only too happy to report next year. I might report to the House that I had a 'phone call from the National Minister of Health this morning who informed me that he had only had strong requests from Ontario and Manitoba towards his suggestion of a meeting at the national level, and in view of the fact that this had apparently been made public in Ontario, he thought he should 'phone me and tell us that this was the case. He informed me that there were two provinces that had not replied to the correspondence and in view of our concern he suggested that we bring the matter up initially at the Dominion Council of Health Meeting on April 11th. So I can give the House that information.

MR. STAN ROBERTS (La Verendrye): Mr. Speaker, I would just like to say a very few words. I hope that the Minister is successful as he says in selling this to the federal authorities. This is a rather difficult thing, I think, for them to undertake because of the number of small slaughterhouses. Many of the operators of these small slaughterhouses don't want this kind of inspection. Many of these operators of the small slaughterhouses won't be selling outside of the province and therefore haven't in the past been coming under federal jurisdiction. Many of these small slaughterhouses, some 30 or 40 of them have extremely limited volume and are not even close to the present federal government standards. I suspect that in order that these plants be inspected in the near future, they will have to be inspected by the Department of Health of this province. I was very surprised the other day when the Honourable Minister of Health suggested that it was impossible to get the specifications from the Government of Canada, Health of Animals Branch, because this surely is not true. The specifications of a plant which is suitable for federal inspection or will pass federal inspection are available to anyone and can be obtained right here in the City of Winnipeg from the Health of Animals division or can be obtained from Ottawa. I'm sure that by now the province has this specification which it was asking for the other day; and if it hasn't, it should ask for them because this is all it has to do. We have a situation where the federal people are inspecting the large plants--we have all these small plants killing throughout the Province of Manitoba. At the present time, as far as I know, the Department of Agriculture, the Health of Animals, have no intention of inspecting these plants. I wish the provincial government well in trying to get them to do so, but if they don't get them to do so between now and the next session of the legislature, I hope they will be prepared to undertake it themselves through the Department of Health in Manitoba. We have an excellent department headed up by one Grant McLeod who can handle this, and I suggest that rather than see these plants continue as uninspected plants that we should undertake this work.

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

MR. SPEAKER: The question now before the House is the proposed amendment to the motion as amended by the amendment. Are you ready for the question?

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

MR. SPEAKER: The question before the House is the proposed resolution by the Honourable Member for Elmwood as amended by the amendment and the amendment to the amendment. Are you ready for the question?

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

.....Continued on next page.

MR. SPEAKER: Adjourned debate on the proposed resolution of the Honourable Member for Fisher. The Honourable Member for Souris-Lansdowne.

MR. McKELLAR: Mr. Speaker, speaking on the resolution of the Honourable Member for Fisher, most of us realize this is a federal matter -- The Stabilization Act -- and one which has to be dealt with at Ottawa, but I'd like to say in the first part of this resolution he mentions the matter of the price of grain not being based on the cost of production. I think that most of us realize in the past year what has happened to the price of grain due to the fact of the reduction of the value of the dollar. This meant a difference of about 16¢ a bushel on the price of wheat and about 10-12¢ on barley and about 10¢ on oats. This has been a great help to the farmers in Western Canada. But getting back to the Stabilization Act which refers to various commodities such as beef and pork and other products of that nature, I think the argument of the member for Fisher is that 80% of the average cost over the last ten years is not sufficient in his mind to meet the cost of the average farmer in our province in Western Canada.

I think what he is trying to say in the latter part of his resolution, is that the state owes a living to every farmer in Western Canada, a standard of living, as he mentions in the last part of the resolution. I disagree very much with the honourable member for that reason. I think that that is one of the main differences between his party and our party, and may I say when I include our party I mean the Liberal Party too, because we think in our opinion, that we should leave initiative and the desire with the individual to gain better results rather than to have the government interfere in any way with production costs and freight controls. I think most of us realize in an experience that the government had with butter, and I think it should illustrate what can happen by trying to just raise the price of butter to produce more butter. What happened was that we have such a surplus of butter now that we can't even begin to eat it, and now they've had to reduce the price of butter to get the people back to consuming it again. But that, I think, is where the main difference arises between you and our party, that we do not think that the government should guarantee every farmer in Western Canada a standard of living.

Now I think -- we find out what has happened in the United States on their production down there -- they have surpluses, terrific surpluses, about 5 or 10 -- in the last ten years they put into the soil bank, 28 million acres. Now they have a bill going through Congress which is going to put another 50 million acres into soil bank. This goes to prove that by having high prices it isn't the answer to all the farm problems. What it will tend to do is do away with the family farm, one which you're trying to always prove that you're the champions of. I, myself, think that one way governments can assist is by the very means of crop insurance where you're guaranteeing, if you have crop insurance, you're guaranteeing a standard of living to each farmer by trying to combat the hazards that the farmer has to put up with, also by means of agricultural credit where he can establish himself, and also through the university which will tend to educate him in the several fields which they have to assist the farmers, but I think that also, too, that what you are trying to tell us in your story here is the very thing that the Honourable the Leader of the New Democratic Party was trying to convince us with tonight, that the state has full control over everything if your party was to exist . . .

MR. PAULLEY: Mr. Speaker, I have never said anything of the sort that the state had control. Matter of fact the vote tonight indicated that the state is irresponsible.

MR. McKELLAR: Well we all know in Saskatchewan what happened to the insurance companies who tried to operate in the last number of years since the Saskatchewan government took over, and I know what would happen to the loan companies if you were to take over in Manitoba. They'd be all . . . (interjection)-- well that's what I mean, state control would take over. The very same thing would happen if you were to be elected as the federal government at Ottawa. You'd immediately take over full control of all the farms in Western Canada, not in means of ownership but through a means of control, production controls and price controls, the very things that you're trying to sell to the people, and I think that there's times when the farmers realize more than you do what their answer is to the problem; the more governments try to help them through an educational system rather than through control, the better off they will be in the future. I think that that's one of the things that we have to impress upon . . .

MR. PETER WAGNER (Fisher): Mr. Speaker, the honourable member is not quoting me

(Mr. Wagner, cont'd) correctly. I did not say controlled productions.

MR. MCKELLAR: Well you said a raising of prices was going to answer all the farm problems.

MR. WAGNER: production, parity prices.

MR. MCKELLAR: Well that's the same thing in my language anyway. But anyway, what you're trying to say -- what I'm trying to prove that you're saying that the state owes everybody a standard of living -- every farmer.

MR. WAGNER: I did not say state.

MR. MCKELLAR: Well it's the same thing. It's the country or the state, whatever you call it. I'm trying to say that the state does not owe every farmer a living in Western Canada, and I say that it's true that some farmers are going to have to change their methods of farming to improve the situation. Others can improve their operations through use of better farming methods, but you're trying to discourage them from anything like that. You're saying that it's up to the state to keep them regardless of their operation, and I'm very much against that, so with those few words, I would like to think that the farmers, when the next general election comes, that the farmers will give this very much thought, and I know they will -- (interjection) -- because I heard the Honourable Leader of the New Democratic Party on the television there one night about two weeks ago, and he mentioned that the farmers are beginning to realize that all the farmers' problems had to be solved at the political level. I say that politicians have nothing to do with it other than having to . . .

MR. WAGNER: Mr. Speaker, the honourable member said something that I didn't say, and what he is trying to say that I said -- and let him speak for himself, not me.

MR. MCKELLAR: Well I'm glad the Honourable Member for Fisher is listening anyway. It makes quite a -- What I'm trying to prove here, to let the government assist through the methods that I said. Keep a floor price on your products; forget about your price controls; let the supply and demand rule the prices as it has in the past. Our fathers and grandfathers existed under that method -- (interjection) -- and I'll continue to take the advice that they give me. Now, Mr. Speaker,

MR. CAMPBELL: Mr. Speaker, may I ask the honourable member a question? Isn't it quite evident that the Honourable Member for Fisher, by his interjections, is trying to disassociate himself from what the Honourable Leader of the New Democratic Party said?

MR. PAULLEY: The Honourable Member for Lakeside is back with the honourable member's grandfather.

MR. MCKELLAR: I didn't hear the question. Well Mr. Speaker, I don't think there's much else that I have to say because I don't think we're going to have any worries at the next general election anyway. Definitely not, because they're so far away from the answers to the problem that they'll never be able to sell it to the farmers. I think Mr. Argue stated that, but I can't understand why Mr. Argue took 17 years to realize that the CCF Party and the New Democratic Party wasn't the answer for the farmers -- it took him 17 years -- (interjection) -- Well Mr. Speaker, to prove my point, I have a very short amendment to the resolution here, one which will explain what I have been trying to prove to the New Democratic Party, and I beg to move, seconded by the Honourable Member for St. James that the resolution be amended by striking out everything after the word "income" in the third line and substituting therefor "In spite of expenditures under this Act of \$141 million, and Whereas total payments to agriculture have been \$706 millions in the period 1957 to 1961 as compared to \$363 millions for the period from 1953-57, and Whereas so-called parity prices are more than parity for some producers and less than parity for other producers, and Whereas it is not practicable to use price controls by themselves to achieve parity without introducing production and marketing controls to prevent the production of unmanageable surpluses, and Whereas the use of production and marketing controls would tend to stunt a limit on the further development of agricultural productivity in Western Canada, and Whereas western farmers are not at this time prepared to accept such controls, and Whereas 1961 experience has emphasized the fact that prices are only one factor in the formula that determines farm income, and whereas although the price of cereal grains today is substantially higher than in recent years, farmers are still in financial difficulty because of drastically reduced yields, and Whereas the current economic difficulties press hardest upon the small volume producers, and Whereas temporary measures are justified to

(Mr. McKellar, cont'd) alleviate the widespread financial difficulties of small family farms, and Whereas it is desirable to implement permanent and long-term programs which will correct chronic problems in the agricultural industry, therefore be it resolved that in the opinion of this House the government should give consideration to the advisability of urging the Government of Canada to continue its efforts to provide parity for agriculture by pursuing a farm policy that will: (1) stabilize prices of farm products at the highest level possible consistent with the demand outlook for specific products but at all times producing reasonable protection for the producer by means of a floor price. Expand markets to enable farmers to utilize volume production to spread rising costs. Provide credit that will enable the farmers to develop and maintain an economic unit of production. Utilize temporary measures such as acreage payments and other emergency programs, such as freight assistance, etcetera, to alleviate pressures on the small farmer.

MR. SCHREYER: A question, Mr. Speaker. Could I ask the member a question? Does he honestly believe that we can honour the principle of parity as you seem to indicate, by a floor price maintenance? Are you serious? Or is it true that the only way you can honour the principle of parity is by prices based on cost of production formulas?

MR. MCKELLAR: There are two different forms of parity -- parity of income and parity of prices.

MR. SCHREYER: parity of prices, Mr. Speaker.

MR. MCKELLAR: I'm not talking about parity of prices. I'm talking about parity of income.

MR. SCHREYER: Oh, of income.

MR. MCKELLAR: Yes.

MR. SCHREYER: Will the member permit a question? Would you permit a question?

MR. SPEAKER: Maybe we should deal with that

MR. ROBLIN: I wonder whether it's in order to ask questions at this moment. I'm not sure, Mr. Speaker -- I wonder. I often think, if I may offer the observation, that it would be much better if members took part in the debate to express their views rather than indulge in this matter of questioning which is usually a futile performance.

MR. PAULLEY: Mr. Speaker, may I suggest to you that the only time that a member is permitted to ask a question is before there's some intervening procedure between the last speaker, and it's quite proper. As a matter of fact I was asked a couple this evening myself.

MR. WAGNER: Mr. Speaker, when I was speaking I had to answer the questions. What I want to ask the Honourable Member for Souris-Lansdowne is whether it's not true that the federal government passed a Bill 237 to stabilize prices?

MR. MCKELLAR: Yes, to stabilize prices at 80 percent of the ten year average. That's . . .

MR. WAGNER: Does this stabilize prices?

MR. MCKELLAR: Sure it does.

MR. WAGNER: In your opinion?

MR. MCKELLAR: Sure. Did they ever hit the floor price yet? Did they ever hit the floor price? No. That's all it's supposed to do. It wasn't supposed to guarantee you a standard of living.

MR. WAGNER: A supplementary question, Mr. Speaker. Doesn't the Stabilization Bill knock the prices down yearly, on the ten-year average?

MR. MCKELLAR: No, the Stabilization Bill has nothing to do with the price -- that's where you're misinformed.

MR. WAGNER: It does.

MR. MCKELLAR: No it doesn't.

MR. WAGNER: It does.

MR. MCKELLAR: No. Supply and demand rules the price. Supply and demand.

Mr. Speaker presented the motion.

MR. ROBERTS: I move, seconded by the Honourable Member for Gladstone that the debate be adjourned.

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

MR. SPEAKER: Adjourned debate on the proposed resolution of the Honourable Member for Fisher and the proposed motion and amendment thereto by the Honourable Member for

(Mr. Speaker, cont'd) Birtle-Russell. The Honourable Member for St. George. Order stand?

Proposed resolution of the Honourable Member for St. Boniface. The Honourable Member for Birtle-Russell. Order stand?

Adjourned debate on the proposed resolution of the Honourable Member for St. Boniface. The Honourable Member for Assiniboia. Stand.

Adjourned debate on the proposed resolution of the Honourable Member for Logan. The Honourable Member for St. John's.

MR. ORLIKOW: Mr. Speaker, I'd like the indulgence of the House to let this matter stand.

MR. SPEAKER: Order stand.

Proposed resolution by the Honourable Member for Seven Oaks and the proposed motion and amendment thereto by the Honourable Member for Cypress, and the amendment to the amendment by the Honourable Member for Selkirk. The Honourable Member for Lac du Bonnet.

MR. ROBLIN: Mr. Speaker, I notice that the Honourable Member for St. George is now in the House and if there's no objection perhaps we might revert to the order of business in which he is concerned and if he is prepared to speak, hear him. There seems to be a good many items standing tonight so perhaps we could hear from my honourable friend if he is prepared to proceed.

MR. GUTTORMSON: Mr. Speaker, I would prefer to leave stand the matter.

MR. MOLGAT: Birtle-Russell is in. I wonder if he would be prepared to proceed

MR. SPEAKER: Proposed resolution, proposed by the Honourable the Leader of the Opposition.

MR. MOLGAT: Mr. Speaker, I beg to move, seconded by the Honourable Member for Lakeside, whereas it is impossible with the present resources of time, knowledge and accessibility for members to adequately enquire into the government accounts, and whereas British and Canadian experience has demonstrated the usefulness of the Auditor-General, be it therefore resolved that, in the opinion of this House, the government should give consideration to the advisability of appointing an officer known as the Auditor-General of Manitoba, that he be empowered to appoint sufficient staff to make spot inspections and running audits, and to report to the Legislature.

Mr. Speaker presented the motion.

MR. MOLGAT: Mr. Speaker, at the very outset on this resolution I want to make it very clear that the resolution in no way is an indication that I have not faith in the present officials of the department in any case, be it the Deputy Provincial Treasurer or any of those under him, or the Comptroller-General, which I realize we have here in the province and have had for some time. In fact, the Comptroller-General performs some of the functions at the moment that I would recommend for the Auditor-General but does not perform all of them, nor is it his responsibility to do so, and this is the purpose of my resolution; but I want to make it very, very clear that this is by no means an inference that they are not performing the functions that they are appointed to do or that I have any misgivings about their qualifications or the work that they are doing. The Comptroller-General has been here for some time. He was appointed I believe when we were in office. We see him every year in Public Accounts and certainly to the best of my knowledge he is performing a very good job in the bounds of the responsibilities that are laid out for him.

I think it's wise again here, Mr. Speaker, as in the other resolution that I proposed with regard to the Public Protector, where I'm interested in the protection of the public -- here I'm interested in the protection of the public funds--I think it's wise to look at what has gone on in other jurisdictions. So far as our own systems are concerned, the oldest Auditor-General is that of England. In Britain the office was established in 1866 and there the officer is appointed by letters patent and he is responsible only to the House of Commons. He enjoys an independent status similar to that of a high court judge. His salary is charged on the Consolidated Fund and he cannot be removed from office except on an address of both Houses of Parliament. Now he conducts the audits of all the government accounts, and in particular one of his

(Mr. Molgat, cont'd) responsibilities is to check for waste and weakness of systems. I think the members will all be familiar with one of the cases that arose after the war, in England, with regard to some land that had been taken over in -- I think it was Critchel Downs -- for airport construction and there, after a good deal of investigation by the Auditor-General it was found that in fact there had been improper practices. There as well, the Auditor-General has investigated such crown corporations as the airlines companies and found that the British National Airlines were not operating on as effective a basis as some of their competition, had a number of recommendations to make, and substantial savings were effected.

Turning now to the Canadian scene, under the revised statutes of Canada there are two offices established. One is the Comptroller of the Treasury. He's appointed by the Governor-in-Council. His functions are somewhat similar to our own Comptroller here. But in addition to this Comptroller of the Treasury in Ottawa, whose counterpart we have in Manitoba, there's as well, an Auditor-General. Now he's appointed by the Governor-in-Council. He holds office during good behaviour until 65 and he's removable only by the Governor-General on address of the Senate and the House of Commons. Now this, as I pointed out the other day, is a practice with which we are familiar here. It applies to some of our present officials. Now the Auditor-General in Ottawa can employ such employees and officers as he needs. He has free access to all governmental files, documents and records and he may require from members of the public service such information and reports and explanations as he requires for his investigations. His terms of reference are broader than those of, as I indicated, the Comptroller-General here. Amongst other things he ascertains that the accounts have been faithfully and properly checked; then he checks that all monies have been fully accounted for, and has been an effective check on the assessment, collection and proper allocation of the revenues. Then he checks if the money has been expended for the purposes for which it was appropriated by Parliament. Now that here is done, I know, by our Comptroller-General. Then he ascertains that proper records of procedures to safeguard and control public property are maintained. Every year the Auditor-General in Ottawa reports to the House and he reports on anything he feels is of importance; in particular, neglect for omissions or neglect to receive money. Any public money not duly accounted for, any appropriations that were exceeded or used in a manner not authorized, and any fraud. In addition to these particular responsibilities to which he's charged, he may, of course, at the request of the Treasury Department, at any time investigate any of the financial operations of any of the boards or corporations or departments of the government and he may, on his own decision, proceed to investigate any that he feels may be the case.

I'm sure the honourable members will remember many of the annual reports of the Auditor-General in Ottawa. I'd just like to run over some of them, Mr. Speaker, because I think they show the type of thing which can happen. I'm not saying that this is at all a reflection on the government. I think if we look back at the reports of the Auditor-General at Ottawa we find that his reports on the present government and his reports on the previous government showed in all cases some things to be corrected. This is inevitable in my opinion, when you get into large staffs. It happens in corporations; it's bound to happen in government. Any time you get a large number of people working for you, you can have difficulties of this nature. This year, for example, when the report of the Auditor-General was tabled in February of '62, the headline was "Auditor-General says money wasted" and he proceeded then to show a number of specific cases. In 1961: "Streamline accounting government told." The story went on: "Canada's new Auditor-General wants the government to adopt some methods of private business in accounting for the billions of taxpayers' dollars it spends. Otherwise, said Maxwell Henderson, it's impossible to know whether the government is being efficient, and to ensure Canadians they're getting value for the money they spend." It goes on to say: "Government departments don't have the profit incentive that pushes private businesses to control its costs." Same year, 1961, some of the particular things that he found for example was the case of the RCAF officer's house originally planned for \$34,900 finally costing \$79,000; in other words, some \$45,000 more than originally planned; and so on. 1960, the report there states that they found that the government proceeded to repair a wharf that was already sold, at government expense. Found as well that one small slip of one department cost the taxpayers \$1,500 -- that was with regard to transportation of staff. The year before, 1959,

(Mr. Molgat, cont'd) Auditor-General, Watson Seller in his latest report to Parliament questions why a healthy 30-year old RCAF officer was granted a \$964.00 annual life pension when he was compulsorily retired in order for more Air Force efficiency or economy; and then proceeds: "This is one of some 100 cases of irregularities uncovered by Parliament's financial watchdog in his audit of the government accounts. In 1959, as well, "Pay for no work. Auditor-General Watson Seller has uncovered another crop of irregularities in government accounts, but on the whole he finds the books in good order." Proceeds to give one particular detail -- a civil servant signed an agreement to return to his job after being given leave to attend university. He didn't honour the agreement but was paid \$8,000 half salary for his three years at college, was reimbursed his \$1,644 contribution to the superannuation fund, and was given \$858.00 in lieu of retirement leave. Going back in earlier years, 1956, the report of the Auditor-General. "Auditor Raps Government Money-Managing." The statement is, "One instance of apparent crookedness and the usual long roster of unorthodox government practices in handling Parliament's money came under criticism Friday from Auditor-General Watson Seller." He found in that particular year, for example, an overpayment of \$330,000 on one of the departmental programs.

Now these are just samples, Mr. Speaker, of the things that can happen. The members will no doubt particularly remember the horses, for example, that were on the payrolls at Petawawa, and these are the things that can happen. I'm not saying that they exist in the Province of Manitoba, but I do say that once you reach the size of the staff and the size of expenditure that the provincial government now has, that there should be an outside audit. And that is really the important part of this resolution, Mr. Speaker. At the moment, as I understand the operations of our Treasury Branch here, we do have a partial internal audit. The Comptroller-General does do some of the things that the Auditor-General, in my resolution, would be asked to do. He does some of the things that the Auditor-General in Ottawa does, but he does not do all of the things that the Auditor-General should do. I think it's become accepted practice in business today that the large corporations have an internal auditor, but in addition to that they have an external auditor, and this is the suggestion that I'm making to the government at this stage, that they should have an external auditor in the terms of the Auditor-General who would be in a position to do this work and to check on the workings of the government, the workings of the various departments, the workings of various boards and corporations. At the moment, Mr. Speaker, we meet annually in the Public Accounts Committee. I've been a member of the Public Accounts for some years. I have tried to understand the accounts as well as I can, but I think it's fair to say that the members of the House have not got the special qualifications required to make the type of audit or the type of check that really should be made at this time. In addition to that, of course, we have not got the power to go into various departments. More than that we have not got the time to do all the checking that is required.

The appointment of an Auditor-General, in my opinion, would not be an additional cost on the government, Mr. Speaker. I think the examples I've shown of what he found in Ottawa, every year, in the number of unorthodox practices that he found, practices where the government was overspending, in the savings that he did show to the government, he could more than save his own salary and that of his staff. I think that here in the Province of Manitoba, it may not be necessary, as a start, to have a full-time auditor, but probably this could be done on a part-time basis -- someone who would come in as we employ, for example, outside audit firms, and be asked to audit the various departments whenever a special case comes up to make a special investigation, and this, I think, could be done quite well. If we went along and found that it became a full-time job, then this would be acceptable also. Possibly we could do it by having one full time Auditor-General who would then proceed to employ outside people as required. This would probably be the most acceptable method. In which case I would suggest that his position be the same as that of the Comptroller-General or the same as that of the Clerk of the House at the moment in one of his capacities of the Civil Service Commission, and that is that he be appointed and responsible only to the House, be removable only on address from the House. But what I want to point out particularly, Mr. Speaker, is that I do not believe that this would be extra expense. On the contrary, if the experience in Ottawa is at all an indication, I think it could mean a saving for the government, an improvement in the efficient handling of the affairs of government, and I think a better check on public expenditure than what we

(Mr. Molgat, cont'd) are able to provide now with the limited time and resources that the members have at their hands.

MR. ROBLIN: Mr. Speaker, I must say at the beginning that I find this a peculiar resolution. I read in the operative part that in the opinion of the House the government should give consideration to the advisability of appointing an officer known as the Auditor-General of Manitoba, that he be empowered to appoint sufficient staff to make spot inspections and running audits, and report to the Legislature. I can only assume from what I read there that it is the apprehension of the proposer of the motion that these things are not being done at the present time, and I am confirmed in that belief because in introducing it he made reference to a comparison between the Auditor-General of Canada and the Comptroller-General of Manitoba in which he left us with the clear impression -- in fact I believe he stated it in explicit terms -- that the authority and function and scope of the Auditor-General of Canada exceeds or surpasses that of the Comptroller-General of Manitoba and thus makes it possible, by the use of an Auditor-General to secure a review of public business in a way that is not now done in the Province of Manitoba. I find it indeed difficult to credit my honourable friend with those views, and had I not heard him express them himself perhaps I should have been hard to convince that he held them. But he has not only made those statements in this Legislature, Sir, he has taken the opportunity to make a similar review on the television, and I find it hard to understand how a gentleman who has sat on the government side of the House for some five years or so, who has sat on the opposition side for some four years or so, who has had the opportunity of attending at least eight meetings of the Public Accounts Committee, should wish to convey such misapprehension of the true state of facts to the people of the province, and indeed create perhaps in the minds of some an alarming impression of just how the public accounts of this province are reviewed by responsible authorities. I can only say that it must be an extraordinary lapse on the part of my honourable friend. And I believe that he can never have opened the Treasury Act which sets out very clearly the points that I wish to make tonight in respect of this matter.

I should begin by saying that in the 1930s under an administration of which the Honourable Member for Lakeside was a prominent member, the Treasury Act was reorganized to provide for a fully independent and professional audit of the government accounts. I want to stress those words -- a fully independent and professional audit of the government accounts. And in so doing, an officer was provided to carry out that fully independent and professional review of the government accounts. And it is true that he is not called the Auditor-General but he is called the Comptroller-General and, as I hope to show, he has a far greater scope and authority in the affairs of the government of this province than the Auditor-General ever has in the conduct of public business in the federal government at Ottawa. And I want to say from my own experience as a member in the Opposition, that the gentleman who occupies the present position of Comptroller-General, who occupied it when I was in the Opposition, always found the time when I took the trouble to call on him, to give me any of his knowledge or any of his information that I could legitimately ask for and that he was, indeed, accessible to members of the House in this respect. The arrangements that I refer to in 1930 were set up in consultation with the Institute of Chartered Accountants of Manitoba, and I think it perhaps is some reflection upon the soundness of the measures taken at that time that there have been no major shortages in the operations under control of the Comptroller-General since that time. Certainly that is a testimony to its effectiveness.

I would like to ask, Mr. Speaker, if the honourable member who has spoken is aware that the Auditor-General is, as I have stated, a fully independent officer. He should be informed, if he does not already know it, that according to Section 92 of the Treasury Act, the Comptroller-General shall hold office during good behaviour but shall be removable by the Lieutenant-Governor on the address of the Legislative Assembly carried by a vote of two-thirds of the members voting thereon. So certainly in that respect he is equal in status to the Auditor-General of Canada because he is not a functionary of the administration or of the government, but he is an officer of this House who is removable only upon the vote of this House. And the importance of that provision will become apparent as I detail the extraordinary powers which are at present entrusted to the Comptroller-General of Manitoba. We have had it said to us tonight that one reason for supporting this motion is that we would give to this new functionary, powers that are wider than that of the Comptroller-General because we would equate him with the

(Mr. Roblin, cont'd) the powers of the Auditor-General at Ottawa. Such a statement obviously indicates to me a distressing unfamiliarity with the actual powers of the Comptroller-General of Manitoba as set out in the Treasury Act. One thing that I would like to say -- and I think this is one of the important considerations in the whole discussion here, is that while the Auditor-General in Ottawa performs a post-audit, in other words, he examines the situation after the facts to bring matters to the attention of those concerned and after error is irretrievable, the Comptroller-General in Manitoba is required by statute in his independent capacity as an officer of this House to authorize every cheque before it is issued. In other words, the government is not allowed to issue cheques on the Consolidated Fund without the expressed consent and authority of the Auditor of the Comptroller-General of the Province of Manitoba. And in that pre-audit, he has to give consideration to all those points and then some, that the Honourable the Leader of the Opposition mentioned in connection with the post-audit performed by the Auditor-General in Ottawa. He must, for example, in Manitoba give full consideration of the legislative authority by which the expenditure is made. And if he doesn't think it's covered by the legislative authority, he doesn't authorize the issue of a cheque and it is never issued. He has to assure himself of the availability of funds, that they have been properly and correctly voted by the House. He has the authority and the responsibility to examine the contracts upon which these payments are based in any detail that he considers necessary, to see whether they are in accord with the legislation and with the legislative powers attached thereto. He is expected to demand evidence of the receipt of any commodities for which payment is made or the performance of services which are covered by such payments. And further than that, Mr. Speaker, he is entitled to examine into any other matter without limitation, any other matter which he as Comptroller-General deems to be worthy of further inquiry or of further consideration.

Section 37 for example, of the Treasury Act makes it quite clear that the Comptroller-General has a free access to all departmental accounts at any time. He may require, and he does require where he believes it necessary, statements and reports and documents as deemed necessary by him, and by no one else, in his review of the public business. Any reports that he deems reasonable or necessary. And further, Mr. Speaker, if he is not satisfied with that, he has the power to examine under oath and he has all the powers of a commissioner under the Manitoba Evidence Act, and this, Sir, is in reference to an officer who is independent of the executive and who is the servant of this House and of this legislature. Under a system like this where mistakes are identified as and when they occur, it is not to be remarked that the administration of this province both under past and present governments has, I think, a pretty clean bill of health. Because the Auditor-General has the power and authority and, indeed, the duty, that when he discerns anything in the course of his pre-audit that I have described to you, which he feels to be out-of-order in any respect, he bring it at once to the attention of those concerned, and if he doesn't get the response that he requires in connection with that he has another recourse which I shall detail in a minute or two.

We are asked to provide here for an officer who has sufficient staff to make spot inspections and running audits. Well that's exactly what the Comptroller-General is doing in Manitoba today. He is making spot checks of the revenue just as my honourable friend suggested that he should be doing. He makes continuous test checks of all aspects of the public administration. His officers not only operate in Winnipeg but they visit throughout the province, they take test audits on the stores and on the commodities even as far as measuring the gravel stockpiles as a routine matter. They visit many of the larger contracts in the course of their performance to see whether the work in progress is that actually called for by the contract. And they also check -- they make test counts of men and machines, for example, who are on roadwork that is on a non-contract basis. And though it seems rather odd to say so, Mr. Speaker, they even check the standing crops at the institutions to make sure that they are being handled in a proper and essential manner. As I say, the Comptroller-General of Manitoba with these powers, with this responsibility for pre-audit, with this system of checking errors as they develop rather than the post-audit my honourable friend would recommend to us is, in my submission, a much more effective way of keeping track of efficiency and businesslike methods in the public administration than the course that he proposes to us. And let me say this, that in the course of his reports to the departments, if the Auditor-General does not receive that type of response which he feels

(Mr. Roblin, cont'd) the situation calls for, he has a very effective remedy, indeed, in dealing with this matter, because I would like to say to you, Sir, that under Section 29 of the Treasury Act, the Comptroller-General is the man who makes up the public accounts. I would not have anyone here think that the public accounts are the product of the treasury or of the administrative branch because they're not. The public accounts are made up by the Comptroller-General of the Province of Manitoba, and any matters that require legislative consideration or should be brought to the attention of members of the House will be covered by him in a certificate which he attaches to the balance sheet when he presents the public accounts to this House.

And let me just read this part of his powers to you to indicate how sweeping they are and how effective they are in keeping any wayward administration in line. I refer to Section 30, I believe it is of the Treasury Act, and let me just read this clause to you -- and this is referring to the public accounts: "If within the time prescribed the Treasurer does not lay before the Assembly the public accounts," and listen to these words, "or any other report required by the Comptroller-General to be made, the Comptroller-General shall himself forthwith transmit the report, or reports to the Lieutenant-Governor for transmission to the Assembly." So you can see what a tight system this is. The Comptroller-General has the duty of the pre-audit of the activities of the government to check errors as they occur. If he finds errors he reports them to the department. If the departments do not take appropriate action about it, he can report it in the public accounts or in any other report that he desires to make. And if the executive refuse or are guilty of not laying those reports in public accounts before the House, then he transmits it to the Lieutenant-Governor who lays it before the legislature for their consideration. So I think, Sir, that with a system like that, we may well feel reasonably satisfied with the state of the public inspection or the public audit of the Province of Manitoba. And to state, as has been done here tonight that the Comptroller-General of this province has less power or authority or less elbow room or freedom or capacity to investigate the activities of the administration and to make a report to the House, to my mind does not stand up to the plain wording of the Treasury Act which has been on the statute books of the province in substantially this form as it affects the Comptroller-General, for about the last 20 or 30 years.

I would like to add, Mr. Chairman, that under the Comptroller-General who is a Chartered Accountant of unquestioned qualifications, there are 12 other chartered accountants and there are 17 students on the staff -- students in chartered accountancy -- and that they conduct their responsibilities to the highest professional standards -- and I make that statement without any equivocation or without any apology to anybody whatsoever, because I believe it to be absolutely correct. And I think those who have held the office of Treasurer before me, and there's at least one sitting in this House, will not disagree with me in my description of what the Treasury Act provides for the administration of the office of the Comptroller-General, nor indeed, with the recommendation which I think I am in duty bound to make with respect to the way in which that office is being administered at the present time. In fact, Mr. Speaker, this system of ours is regarded as a model and I can say that quite openly because I had nothing to do with it. I found it here when I got here. It wasn't brought in by this administration; it's been here for some time. For the last 30 years. It's a model of audit and financial control and the reason why I say that is that we receive visitors, and I'm sure honourable gentlemen who occupied this seat before I did, also received visitors from Commonwealth countries and other parts of the world who are looking for the correct and best ways of organizing their own financial system as they come into independence, are directed here by those in Ottawa and elsewhere, so that they may see how our system works, and they are sent here in the belief that it is a good system and it will indeed stand comparison with anything that anyone cares to mention in connection with it.

Now, Mr. Speaker, I must say that frankly I can see no use whatsoever in the motion that my honourable friend has proposed. We have a Comptroller-General who is an independent officer, who can only be discharged at the will of this House by two-third's majority. He is an independent officer which I, as Treasurer, let me assure you, have never dreamed of interfering with because I know the kind of reception I'd get if I tried anything like that, because this gentleman understands his responsibilities and he's fully aware of the power entrusted to him and the authority that his position entails. And this Comptroller-General of ours is going far beyond this business of having sufficient staff to make spot inspections and running audits and

(Mr. Roblin, cont'd) and reports to the legislature. He's doing that and much more. He's doing everything that the Auditor-General does and he does much more; and he does it, I think, in a more effective way because he does it by the system of pre-audit, that not a single cheque can be issued by the Treasurer or any other official authorized to write cheques on the part of the government until it has the approval of the Comptroller-General of this province. I've listed to the House, Sir, some of the things which he is duty bound to take into account which include every point that was mentioned by my honourable friend on the other side, and I would like to suggest to you that he is just as validly and effectively an external auditor that my honourable friend speaks of, as the Auditor-General of Canada ever is, and in my opinion, a much more effective officer with much more effective tools at his disposal; and I reiterate again, that he is charged with the responsibility when submitting the public accounts of giving a certificate to the effect that all matters coming within his control have been noted and properly dealt with; and that if he does not feel that is the case, he has the authority to make any report that he likes -- either through the medium of the Public Accounts as they are presented to the House or in any other way. And further than that, he has the fullest power to investigate all aspects of the administration and, indeed, as I have stated, has the power of a Commissioner for Oaths and can deal with it in the same manner as is provided under the Manitoba Act that -- what's the name of that Act -- Manitoba Evidence Act which lays down those powers and authority. So I say there's nothing that we need to pay any attention to in this resolution. I can only repeat again my concern that the honourable gentleman who proposed it doesn't seem to have cracked the Treasury Act -- run across it at any time in the course of his proceedings. I recommend it to him because he will find it very interesting reading; and I recommend it to him because I think he will find that the points that I have made here are specifically covered by the provisions -- the express provisions of that Act that has been on our statute books for some time.

Now, Mr. Speaker, I think that there's no more that I need to say about this except to say that the case that my honourable friend tries to make is conclusively not proven. If he submits to us a constructive idea that isn't already in effect in respect of these matters, we'll certainly give it consideration, but on the basis of the evidence that he submitted tonight, I think that we should dispose of this resolution without any delay.

MR. SCHREYER: Mr. Speaker, it is obvious, after listening to that address, that the First Minister of Manitoba is a skilled, an excellent debater. It sounded like a very convincing case. In many respects it was. But the case really is not all that strong because I went to three sources to get information regarding the situation within Manitoba, regarding the pre-auditing and post-auditing of accounts and generally the whole matter of control of the purse of Manitoba, and one of those sources was Professor Clarke in the Canadian Journal of Economics and Political Science, some 12 years back; one other was a Mr. A. E. Buck, of the Institute of Public Administration at Chicago, who made a study of finance in Canadian government federally and provincially in this country and I would like to put before the members certain remarks certain observations which were made by this authority, and I shall attempt to do so briefly. He goes on to say that there is, in general, a confused notion in the provinces -- not referring to the federal government -- but in the provinces, generally, a confused notion of the proper sphere of auditing of the relation of pre-auditing and post-auditing procedures. He goes on to say that three provinces, B. C., Manitoba and New Brunswick have so-called Comptroller-Generals who are auditors as well as chief accountants and comptrollers.

If the First Minister is so satisfied with the form of control in this province, then I would ask him why it is that the federal government saw fit, in 1931, to split the function of auditing and control to create two offices, because ever since 1878, from 1878 on, Canada had a control procedure at the federal level much like we have here now; but in 1931 the federal government passed the Consolidated Revenue and Audit Act which Act had the effect of splitting the functions as I said -- in other words of creating two offices, one office being that of the Comptroller-General -- Comptroller of the Treasury rather, whose function it was to have control of the issuance of money from out of the Consolidated Revenue Fund and to perform generally pre-auditing procedures or duties, and it was thought necessary, I suppose, that in addition to this check of the Comptroller of the Treasury by means of pre-audit, it was thought necessary to have a second check, so far as the financing of the expenditure of public moneys was concerned. That

(Mr. Schreyer, cont'd) is why they formed a new office -- the office of Auditor-General, and I believe it to be a fact that in Britain these duties are also split to two offices. It was thought necessary therefore, in the central government in London, the federal government in Canada, to get rid of this duality. Now here in Manitoba we have a duality of function and Professor Buck refers to that.

I wonder if the First Minister would agree with this statement referring to the Comptroller in the province: "Each is required to make an audit report to the legislature involving his own accounting entries and his own administrative determinations." Well, if that is not the case that is certainly an argument in your favour, but there are other observations here which I wish to put before the members and particularly before the First Minister, because if they're not true I would like to be told so. He recommends the establishment of an office of Provincial Auditor who would have no powers of administrative control or issuance but simply those of post-audit. This is essentially the gist of the resolution before us. He should be, in all cases, an officer of the legislature reporting his findings directly to the Public Accounts Committee. He goes on to say that in Manitoba the Comptroller's office is regarded as a legislative unit, but actually operates under the Treasury Department -- (interjection) -- well these are fine points and yet not insignificant ones -- (interjection) -- and in view of these observations, some of which could be by now dated and consequently somewhat out of line with the actual case of the matter. I do believe, that in the interest of performing our role and function properly, and despite the fact that the present Comptroller-General could be and is a man of the utmost in integrity and ability, it would seem, perhaps, wise and prudent for us to adopt this resolution which would give us the comfort to know that public monies are double checked in the spending of it.

MR. SPEAKER: Are you ready for the question?

MR. MOLGAT: Mr. Speaker, I move that the debate be adjourned.

Mr. Speaker presented the motion.

MR. ROBLIN: Mr. Speaker, that if my honourable friend does that he prevents anyone else from speaking so perhaps you should offer that warning to the--

MR. MOLGAT: Well it would appear that no one else is prepared to speak and it's got to come to a vote, Mr. Speaker.

MR. ROBLIN: Why don't you go ahead now?

MR. MOLGAT: Oh no! oh, no.

MR. SPEAKER: Are you ready for the question?

MR. PAULLEY: Mr. Speaker, I beg to move, seconded by the Honourable Member for Burrows the debate be adjourned.

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

MR. SPEAKER: Adjourned debate proposed by the Honourable Leader of the Opposition. The Honourable the Attorney-General.

MR. LYON: Mr. Speaker, looking at the clock --

A MEMBER: You'll never make it. You'll never make it.

MR. LYON: Looking at the clock, Mr. Speaker, I do not feel that I could do justice to this very important subject in the time remaining, and I would therefore suggest if it meets with the concurrence of the honourable members opposite that we allow the matter to stand, unless, of course, somebody else wishes to fill in.

MR. PAULLEY: Mr. Speaker, I agree with my honourable friend that I don't think he could do justice to the subject before the House. I think we should agree that it should stand.

MR. SPEAKER: Matter stand? Adjourned debate on the proposed motion of the Honourable Member for Brokenhead. The Honourable Member for Roblin.

MR. ALEXANDER: Mr. Speaker, I took the adjournment on this matter on behalf of the Honourable Minister of Education.

MR. McLEAN: Mr. Speaker, the Honourable the Member for Brokenhead has made a thoughtful presentation in support of his resolution to increase or raise the school leaving age to 16 years. This is a matter which of course has already been a matter of consideration in years past and we have arrangements whereby in certain urban communities the school leaving age is 16 and the balance of the province 14, and he has suggested, and with some force, that there isn't any real good justification for having a different age in different parts of the province.

(Mr. McLean, cont'd)

In considering this suggestion we have to bear in mind the numbers of persons who would be involved in a change if it were to be made, the accommodation that would be required, the number of teachers that would be necessary in relation to the number of persons concerned. It would appear at the moment that to make a change from 14 to 16 in one step might possibly be more than could properly be taken care of without some dislocation and problems in certain parts of the province, and it would seem to be more in order to suggest that the age of 15 might be the first step in this particular matter. If the age were 15 our indications are that there would be some 600 pupils in the Province of Manitoba who would be affected. Those 600 pupils are located for the most part in the rural parts of the Province of Manitoba; that's the 600 pupils one would have to consider in terms of the average number of students per classroom at 25 with the resulting number of teachers, classrooms and other accommodation that would be required. In view of this it would be my opinion that the House should give consideration to raising the school leaving age to 15, and with this in mind, Mr. Speaker, I should like to move an amendment to the resolution, seconded by the Honourable the Minister of Labour, that the resolution be amended by striking out the words and figures "sixteen (16)" in the last line thereof and substituting therefor the words and figures "fifteen (15)."

Mr. Speaker put the question.

MR. HILLHOUSE: Mr. Speaker, may I ask the Honourable Minister a question? I understood you to say that 600 pupils would be affected if the age were raised to 15. Have you any estimate as to the number -- what proportion of these 600 pupils would continue on to school regardless of whether or no the age was raised?

Mr. McLEAN: Well now I think you may have in mind another matter. By far and away the largest number of students do in fact continue to age 16, 17, wherever -- we're talking here -- when I say 600 that is our estimate of the number of pupils who are now dropping out of school at age 14, and who, if the age were raised to 15, would by law be required to continue. And I should point out that is an estimate -- I don't offer that as an absolutely firm figure.

Mr. Speaker put the question.

MR. ORLIKOW: Mr. Speaker, I move, seconded by the Honourable Member for Seven Oaks the debate be adjourned.

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

MR. SPEAKER: Proposed resolution standing in the name of the Honourable the Leader of the New Democratic Party.

MR. PAULLEY: Mr. Speaker, may I just make this reservation that I had fully intended to introduce this resolution today. I note the clock now says about ten minutes to eleven o'clock. It would take me that long to introduce the resolution -- not support it. I'd suggest that this be allowed to stand with regret once again.

MR. SPEAKER: Order stand. Adjourned debate on the proposed resolution of the Honourable Member for Inkster. The Honourable Member for Cypress.

MR. FORBES: Mr. Speaker, I would like leave of the House to have this matter stand.

MR. SPEAKER: Order stand. Adjourned debate on the proposed resolution of the Honourable Member for Emerson. The Honourable Member for Rhineland. Order stand. Adjourned debate on the second reading of Bill No. 34. The Honourable Member for Lac du Bonnet.

MR. O. BAIZLEY (Osborne): Mr. Speaker, I believe the Honourable Member for Lac du Bonnet had this item stand on my behalf, and I am sure that I won't need ten minutes to give the House a report of a -- I set up a select committee of my own home to consider the amendment to this Act. Now these people in my home, -- two would be eligible if this amendment were to pass, to assume this responsibility. One is in her last year at High School; the other in third year at University. The one who wouldn't qualify, he was in favour of the amendment, and I suggested to him that he probably might not be aware of the responsibility and he very quickly informed me that he didn't have to worry about it -- he said: "if you'll have this amendment pass, he said, I'll vote for you" so obviously here's an astute politician in the Baizley family. However, the older one, the older ones, and in conversation with their friends, came home with the answer that they had to frankly admit that they were not qualified -- that they did not feel that they were informed or that they were concerned enough to exercise the responsibility

(Mr. Baizley, cont'd) which such an amendment to this Act would grant to them. Now, Mr. Speaker, I say that in these days of higher learning and with the multitudinous extra-curricular activities, that it seems to me that this would be hurrying an acceptance in a responsibility which even their seniors are loath to assume. Surely, Mr. Speaker, it is common sense to let these people observe for a few years at least the necessity of a reasonable approach to our problem and the opportunity to realize the part that each should play in the proper functioning of democracy in our society.

Mr. Speaker put the question.

MR. PAULLEY: Mr. Speaker, I beg to move, seconded by the Honourable Member for Burrows, that the debate be adjourned.

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

MR. SPEAKER: Adjourned debate on the proposed resolution of the Honourable the Minister of Welfare. The Honourable Member for Rhineland. Order stand.

Committee of Supply.

MR. ROBLIN: Mr. Speaker, to coin a Latin phrase "marvellous to relate." The House has arrived at the government order of business on private members' day in spite of the fact that we spent forty-five minutes discussing the point raised by one of the members of the House in respect to order. However, I feel that --

MR. PAULLEY: Mr. Speaker, on a point of privilege -- I have the floor. I'm raising a point of privilege.

MR. ROBLIN: Well your points of privilege are hardly worth raising.

MR. PAULLEY: Mr. Speaker, the only one that will decide whether I have a point of privilege is not the Honourable the Leader of the House but you.

MR. ROBLIN: I'm quite content to leave it to Mr. Speaker.

MR. PAULLEY: Well then sit down while Mr. Speaker acknowledges whether I have a point of privilege or not.

MR. ROBLIN: Mr. Speaker there are certain conventions of good manners that some of us uphold in this House; others unfortunately seem to be ignorant of them.

MR. PAULLEY: That's perfectly correct Mr. Speaker. I think my honourable friend is perfectly correct. He has just exhibited what he spoke of.

MR. ROBLIN: Mr. Speaker, I invite my honourable friend to raise his point of privilege.

MR. PAULLEY: My point of privilege was that the Honourable the Leader of the House inferred that because of the fact of arguments at the early part of the sittings today we arrived rapidly at the point of privilege that I dispute your remarks.

MR. ROBLIN: Mr. Speaker that my honourable friend gives us daily, I find this to be the real -- this tops them all. This is the real one. My honourable friend wouldn't recognize a point of privilege if he met it in the dark.

MR. PAULLEY: Mr. Chairman, I know what privilege means.

MR. ROBLIN: Mr. Chairman, I'm going to allow my honourable friend to go home and -- oh, I almost said something I shouldn't -- that would be unkind, I won't say that.

MR. PAULLEY: Don't worry about my feelings.

MR. ROBLIN: I think that at this time of the night I'll be prepared to move the adjournment of the House and hope that my honourable friend is in a sweeter temper tomorrow. I beg to move, Mr. Speaker, seconded by the Honourable the Attorney-General that the House do now adjourn.

MR. PAULLEY: Mr. Speaker I know that this motion is not debatable but I'm happy -- I'm happy that this evening my honourable friend has the opportunity of moving the adjournment, which he did not have last night.

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