

THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Thursday, April 13, 1967

MR. SPEAKER: Order, please. I wonder if I might take a moment of the House's time. I'd like to direct your attention to the gallery where we have 50 Grade 12 students from the Roblin Collegiate. These students are under the direction of Mr. Zidoloski and Mr. Bradford. This school is in the constituency of the Honourable Member for Roblin. On behalf of the honourable members of the Legislative Assembly, I welcome you here this evening.

Bill 73. The Attorney-General.

MR. LYON: Mr. Speaker, if I were to speak now I would be closing the debate. I don't know if any other members wish to speak.

The comments of the Honourable the Leader of the New Democratic Party were to the effect that there was a provision in this bill which purported to bind a succeeding Legislature in the event that there was a dissolution, or a prorogation and a dissolution, before the work of revision was completed. I can't speak definitely on this point but I think this is the usual practice. It's no more binding, of course, than any succeeding Legislature wishes it to be; it merely provides a continuing practice to indicate that we should have a committee of the House, as provided for in the bill, look at all of the provisions made by the Revising Officer before they, of course, are recommended to the House by the committee. So I wouldn't read too much into it because we know it's there but one Legislature can only bind another one so far as the other one wishes to be bound.

There was a point made by the Member for Burrows. He said that he thought there was a lot of power conferred on the Attorney-General. I think if he will look a little more carefully at the Act he will see that the powers to which he was making reference are really conferred on the Revising Officer and these are the powers that are common in such cases. I believe by and large the sections were taken almost word for word from the previous bill that was passed in 1954 or thereabouts - prior to 1954. In any case, the ultimate safeguard for the work of the Revising Officer is that all of his work must be scrutinized and approved by a committee of the Legislature as further provided in the bill, so these sections merely purport to give him generalized instructions as to what he should do, subject always first of all to the scrutiny of that committee, and then the second scrutiny by the Legislature itself which must approve the consolidation as is brought forward from the committee.

There was some comment I believe by the Member for St. John's about the Attorney-General's committee, or the Law Reform Committee, which is not present in this Act at all. I think when an Order for Return which is presently being completed is tabled in the House you will find that this is a very useful committee, get some idea as to what the work is. Perhaps some of his colleagues who were in the Legislature prior to his time will refer him back to the debate that took place when the amendment was made originally to the Act, and perhaps you could even refer him to some of the bills, a good number of which have been introduced on the recommendation of that committee unfortunately prior to his coming into this House with us, and so we can only attribute his remarks to the lack of experience with this important committee.

MR. PAULLEY: May I ask my honourable friend a question, Mr. Speaker?

MR. LYON: By all means.

MR. PAULLEY: Is there, in accordance with any of the statutes of Manitoba, a committee known as the Law Reform Committee?

MR. LYON: Yes, by an Order-in-Council passed pursuant to the Attorney-Generals' Act.

MR. PAULLEY: My question was in reference to statutes, not to Orders-in-Council.

MR. LYON: Well, the Order-in-Council is passed pursuant to the statute, otherwise it would have no validity.

MR. PAULLEY: I think that can be argued.

MR. LYON: Not with me.

MR. SPEAKER put the question and after a voice vote declared the motion carried.

MR. LYON: ... call Bill No. 97?

MR. SPEAKER: Second reading, Bill 97. The Honourable the First Minister.

MR. ROBLIN presented Bill No. 97, an Act to amend The Legislative Assembly Act, for second reading.

MR. SPEAKER presented the motion.

MR. ROBLIN: Mr. Speaker, members will recognize this bill as the one that has to do with the salaries of members of the Legislature and the question of a pension system for the members of the Legislature as well, and while I did give the salient features of this proposal at the committee stage, it would perhaps be as well to rehearse some of these and to deal with other parts of the bill as well so that we may refresh our memories with respect of the matter.

I think the first thing to say is that this is always a very difficult question to approach because of the personal nature, the personal implications of what we do here; we are the beneficiaries directly and immediately of whatever decision we make. I think, however, it is a decision which the House has faced in times gone by and has made its ruling on the matter, and I think that we can very well undertake this responsibility again and account from time to time to the public and to others who may be interested in the decisions that we make. I think it is something that we can't very well handle within the ambit of the usual procedures of the House.

Now as I mentioned on the last occasion, the present indemnity of \$4,800 is the lowest in Canada with the exception of Prince Edward Island. The figures were given and I give them again. As we know, the Federal Government is \$18,000; the Province of Quebec is \$18,000; the Province of Ontario is \$11,000 or \$12,000 depending on where you live; the Province of British Columbia is \$7,500; the Province of New Brunswick is \$7,500; the Province of Newfoundland is \$6,500; the Province of Saskatchewan \$6,000; the Province of Nova Scotia \$6,000; the Province of Alberta \$5,400 and the Province of Manitoba \$4,800.00. There's one province where the salary and indemnity the gross amount is less; that's in Prince Edward Island where it is \$3,000.00; and it's been thought best, after some consideration, that we should recommend that our indemnity and expense allowance together should be increased to \$7,200.00. This brings us up into about the middle of the present range, below the provinces of Quebec, Ontario, British Columbia and New Brunswick, and slightly above Newfoundland and the rest, which perhaps is a reasonable place at which to stop when considering what the new arrangement should be.

The Bill proposes that the indemnity be increased from \$3,200 to \$4,800, an increase of \$1,600, and the expense allowance be increased from \$1,600 to \$2,400, an increase of \$800.00, to the new total of \$7,200.00. And, as I have stated, this is midway in the roster of Canadian provinces. It may be argued that being midway in the list of Canadian provinces is no very good argument in some respects, and I'll have to admit that by itself as the sole point on which this new figure is reached it perhaps is of no consequence where it is in the list of Canadian provinces, but I do think that in considering all the factors that are involved in this, that placing it in that context is one way at least of measuring this particular matter with respect to the experience of others. But what we must really of course do is relate it to our own position here in the Province of Manitoba and try and make up our minds whether in view of our situation in this province that this increase is fair and reasonable under the circumstances, and I suggest that it is.

I have already made it clear that if this arrangement is agreed to, that the salaries of ministers will be reduced accordingly. The pay of ministers, which is now \$15,000, will be reduced by \$1,600 to a new total of \$13,400, and the representation allowance of ministers which is now \$3,000 will be reduced by \$800.00 giving a new total of \$2,200, so that the gross for ministers would be \$15,600 instead of the \$18,000 that is in today. This is proposed because it is our view that the salary of ministers is quite high enough and that if any change is made to increase the indemnity it should not have the effect of increasing ministers' salaries as well by that amount but that these reductions should be made, and if the Bill is approved these changes will take place. So much for the indemnity and the salary and expenses of members.

The proposal with respect to pensions was also reviewed. There are some new considerations that I would like to place before the House. I pointed out previously that all the provinces of Canada and the Dominion Legislature itself, with two exceptions now have pension plans for members and have had pension plans for a period of time varying from 15 to 3 years depending on what jurisdiction. The two provinces that have not had pensions to date are Manitoba and again Prince Edward Island, and it is proposed that there should now be a pension plan for members of the Legislative Assembly in this province.

You will note the Bill makes no provision for pensions for ministers but they will be entitled to have a pension if they wish to do so, as any other member can do, but not with respect to their special capacity as ministers.

(MR. ROBLIN cont'd)....

I point out that this pension plan is a voluntary one. No member has to join it unless he wants to. It will be a contributory plan; the member will be expected to pay six percent of his salary and expense allowance to this pension fund. If a member wishes to make up the pension payment that is due for his previous service in this House, a member who is sitting in the House at the present time may do so. He then will have to provide the pension payment that he would have made had this Act been in force when he first became a member of this House, and he is given until June 1, 1968 to make that payment.

If a member is sitting here now and wishes to join the pension plan, he has about one year in which to make that decision and to authorize these payments from his indemnity and expense account. As I've said, if he wishes to pay up the back payments that are due in order to take into account previous service, that is provided for and the money must be in the hands of the authorities by June of 1968.

Now it's extremely hard to be positive about this. The best advice I get is that in all probability the pension plan part of this proposal will be self-liquidating; in other words, that the monies paid in will balance the monies paid out. I can offer no complete guarantee that this is the case. It's just the best advice I can get. Should it not be the case and extra money be required, then that becomes payable out of the Consolidated Fund. But this is, as members will note, a contributory pension plan, a voluntary pension plan, and it may well be, although I cannot guarantee it, a self-sustaining pension plan.

There are some aspects of the plan that members will wish to discuss. First, of course, is the qualifying age. In the statute that you have before you now, the qualifying age is 50 years. In other words, the member has to reach the age of 50 years to be entitled to draw the pension, and then of course there are other conditions as well, one which is that he is no longer a member of the Legislature; and there's a condition for the number of years that he must contribute before he qualifies, but the age, the minimum age at which pension can be drawn is 50 years.

Now, you may ask why that age was selected. Again, it is a medium of term. In the various pension plans of the country and the other provinces, some have no term at all; there's no age limit, for example, in some of the provinces, and for example none in Alberta, none in Quebec and none in the Canadian parliament itself. Some provinces have a 55-year age limit, some have a 60-year age limit, some have none. We have picked 50 as being in the middle but I don't regard that particular point as being vital to the effectiveness or the desirability of the legislation, and I certainly think we could discuss the advisability of the age of 50 or any other age that members would like to talk about.

The second point that should be mentioned in connection with the pension plan is the number of years during which a member must contribute, and the legislation provides that the Member must contribute during three Legislatures. This normally would take into account a period of some 12 to 15 years. Not necessarily 12 to 15 years, as recent experience has shown, but I think that looking over the longer range of history with respect to the length of parliaments in this province, that the three-parliament specification would normally involve 12 or 15 years' service in the House. So, as I say, it must be admitted that cases can readily be imagined where this would not be the fact.

The other provinces and the other jurisdictions have various periods, and I'll just give them to the House so they'll know. In British Columbia it's two parliaments; in Alberta it's 10 years; in Saskatchewan it's 10 years; in Ontario it's 10 years; in Quebec it's 10 years; in Nova Scotia it's 10 years; in New Brunswick it's 10 years; in Newfoundland it's nine years; and in the Canadian Parliament it is two parliaments. So I think our term of three parliaments is probably in line with the others, especially if it turns out to be a 12 or 15-year period in this respect. But this again is a matter which I think is certainly open to discussion if the Bill is acceptable in other respects.

I would point out, of course, that the Bill provides various circumstances under which we contemplate the death of a member after he has been entitled to receive a pension, and take into account the fact that there may be a surviving spouse, and under the various sets of conditions laid down in the Bill the spouse would be entitled to one-half of the pension that would otherwise have been made payable to the member. Here again we are in line with other provinces. In the Provinces of British Columbia, Ontario, Quebec, Nova Scotia, New Brunswick, Newfoundland, and I believe Alberta, they have this provision respecting widows or a spouse (a widower might be the case) in which one-half of the pension is available in that way. In the

(MR. ROBLIN cont'd) pension legislation in Saskatchewan I believe there is no such provision, and in the pension legislation of the federal parliament the share or the amount allowable to a spouse is three-fifths rather than one half. We, however, have recommended the amount of one-half as being about the same as other jurisdictions do.

The pension itself would be a minimum if you qualified with the three-parliament term. There's a minimum of \$100.00 a month or \$1,200.00 a year, and the maximum that is payable, regardless as to the length of time in the Legislature, is 70 percent; and the sum on which the calculation is based is the last ten years of a member's service in the House.

The Bill also provides that if, on leaving this House, one is translated, (that is probably an ecclesiastical term but it describes fairly well what might happen), if a member of this Chamber, for example, went to the Senate or indeed if he went to the House of Commons or to any other legislature in the Dominion, or if he became a judge or occupied any judicial or semi-judicial post, or indeed if he became a full-time civil servant, if, under any of those conditions, the pension . . . otherwise be payable, it would be stopped and the person concerned can either get his money back or wait until he finishes his term of office in his new appointment and then receive his pension after that appointment is terminated. It was thought that perhaps it would be desirable not to extend the pension under those particular circumstances so that a special provision in that respect has been made in the Act. Those, I think, are the main points with respect to the pension.

Now, there are one or two other matters that should be referred to. It is proposed to increase the per diem expense allowance which is now payable to members who live outside the Metropolitan area to cover their out-of-pocket expenses during the Session when living away from home. It is proposed to increase that from \$10.00 a day to \$20.00 a day for the sixty-day period which is now provided in the Assembly Act. A new proposal is brought in and that is when a member is sitting on any of the special committees that might meet after the Legislature has prorogued, that they may be entitled to expense allowance of \$20.00 a day during that period. I stress, however, that neither of these two provisions, the per diem allowance during the Session nor the allowance when serving on a special committee, applies to Ministers of the Crown. They are not eligible for this. This is restricted to other members of the Legislative Assembly.

It is not in the Act but I think we might do well if we approved of the Bill in principle to consider including the Speaker in this allowance of \$20.00 a day when he's on special duty and the House is not in Session as it is at the present time. He may be called upon to perform certain representative duties as the representative of this Chamber, and it might be thought desirable to extend that \$20.00 per day allowance to him in that case. I should also mention that this Bill makes a change in the remuneration of the Speaker as a whole. In the present statute he is entitled to twice the expense and indemnity of a member. It is thought advisable that if this increase goes through that that factor should be changed from two to one and a half, and members will note that is contained in the legislation itself.

I think, Sir, that that pretty well covers the main points that members might find from examination of this legislation that might be considered part of the principle that would be discussed in explaining the measure that I now place before you, and it may be that there will be further discussions of detail should the matter reach the committee stage in which information can be provided to those who need it. So on the whole, Sir, I would recommend this legislation to the House and ask for its serious consideration in the light of present circumstances and in the light of developments across the nation as a whole.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Lakeside.

MR. CAMPBELL: Mr. Speaker, if no one else wishes to proceed at the moment, I would move, seconded by the Honourable Member for Selkirk, that the debate be adjourned.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. LYON: Mr. Speaker, if we could now go back to the bills remaining on the Order Paper on Page 1, and just carry on through in the regular order starting with Bill No. 59, then Bill No. 70 and so on.

MR. SPEAKER: It is your intention to ignore 75 and 62 is it?

MR. LYON: Bill No. 59, I believe, would be the first one to be called, Mr. Speaker.

First page.

MR. SPEAKER: Proposed motion, Bill No. 59. The Honourable Member for Elmwood.

MR. DOERN: Mr. Speaker, this Bill was one that was examined with considerable interest, I think, by all the Parties. We had heard for some time that a bill was forthcoming

(MR. DOERN cont'd).... on the question of French as a language of instruction and I, for one, spent a considerable amount of time pondering the contents thereof, and finally they arrived after some time. I think that I can express the opinion of the New Democratic Party in general by saying that in principle we are in agreement with the Bill. However, there are undoubtedly certain portions of the Bill that concern us and interest us, and it will be in the later examination that we will bring out some of our criticisms and some of our questions.

I think that the concept put forward in this Bill is a good one. I think that the general provisions of the Bill are what might be described as in the national interest. I think that the people who phrased the Bill, the Minister and his advisors, have attempted to look at this very complicated question which tore this province apart many years ago, with some depth and some insight and I think they put it in a national context. They apparently did not look upon Manitoba as an isolated province or as an isolated area, but they seemed to regard our province as it should be; namely, a part of the Canadian framework.

I think that we can agree that people who speak a number of languages are in an enviable position and that it is a good thing for people to be able to communicate and understand in more languages than their native or natural tongue, and the Bill points out correctly that the British North America Act recognizes, or gives a special place, to the French language. The Bill in Section 240 subsection (3) says, "... subject is herein provided that the French language, being one of the two languages to which reference is made in the British North America Act, 1867, may be used in the public schools as a language of instruction." And taking that as its guide, argues that French should be allowed as a language of instruction.

There should be an important distinction made here between a language as a language of instruction or as a subject. There are a number of languages which are recognized in the school systems of Manitoba as being suitable subjects, but this is going a step further and this is giving a special recognition to the French language so that that language may be used to instruct or teach other subjects in. For example, history. And I think that it is undoubtedly a good academic approach to use a language as a language of instruction because our present school system, which has taught French for many years, does not create and does not train people to speak fluently in another tongue. I, for example, am a typical product of that school system and I studied some six years of French but would hazard only under considerable embarrassment to communicate with somebody in the French language. Although we are taught to read and we are taught some grammar, we are taught the ability to write, we are really not taught the ability to think in another language, which is necessary, and the ability to speak another language. So I think it is sound pedagogically to allow a language to be used as a language of instruction rather than just using our present method. I think there is no doubt that the Bill itself will be implemented first in areas of the province that have a heavy French-Canadian or French-speaking population, and I notice the Minister seems to have made some comments in that regard, or at least was quoted as such in the Press a few weeks ago. And this is good, but it is our hope that in addition to the so-called traditional French-speaking areas, that some of the English-speaking areas will take advantage of this Bill, because when we talk of bilingualism and biculturalism and so on, we would like the English-speaking segment to be able to communicate in French. So I would hope that under the options of Bill 59 that, say, portions of -- all over the province might use this Bill or might take advantage of it. I'm thinking of my own area and I'm thinking of some of the schools in the City of Winnipeg where parents will choose to take advantage of these provisions.

Now, having said that in principle we support the Bill, this is not to say that there aren't many difficulties and I think some very serious difficulties that are found in connection with the Bill. One that concerns me a great deal is; where are we going to get these teachers? And what kind of teachers are going to bring about this Bill? Where are we going to get a teacher, for example, who is fluent in French and excels in history? I don't think there are too many around; at least not at present. I wonder whether the Minister has in mind taking the small supply of good French teachers in the province, those who teach the subject French, and converting them into history teachers. Or I wonder whether the Minister, for example, wishes to take some of our excellent history teachers and teach them French, because that seems to me to be a very big problem. I'm a former history teacher and I can tell you that I would not be too interested, or I would not be too confident about my ability to be taught the French language so I could instruct my own subject in the French language. I think that would be very difficult. So this is one thing we are going to have a good look at, is how the Minister is going to train teachers and whether there is a sufficient supply to go ahead.

(MR. DOERN cont'd). . . .

Another question is the question of texts naturally, whether they will use French language texts perhaps from the Province of Quebec; whether we will have some of our standard texts translated, which would be very expensive; or whether the students will be allowed to have English texts - maybe they could be called Cheaters - in addition to their French language texts in the subject of history.

Another thing as an example that will be of considerable interest is the section which says that in the event that parents do not want their children to take the French language used as the language of instruction, that they can opt out. It's very important to make the point that the provisions of this Bill will only be implemented where it is asked for. It is not going to be implemented across the province, but where it is in demand, where so many parents or the school board request it, the Minister may grant permission, but even given that, parents who do not want their children to be in those classes, they - according to the Bill, it says, "satisfactory provision for the instruction in English of any pupil whose parents or guardian makes an objection." So I'm very curious to see what the Minister will accept here and how the Minister is going to, you know, protect and to adequately provide for those students who do not wish to take French as a language of instruction. For example, if a class is going to take a language one period, followed by history in French, followed by geography in French, for three periods, are identical teachers going to be provided? Are students going to be bused to another area? Surely we will never accept the idea that that student will be put into a study class and kept there for three periods supervised to study on his own. I don't think the Minister intends that and we'll be very interested in just how he will offer protection to people who wish to opt out. There are many other problems, and I have a study in Ontario where they experimented with this and I will bring forward some of those points later on.

So to conclude, Mr. Speaker, we are now speaking in principle and our Party is willing to go along with the Minister. We approve of the Bill in general and we approve of the Bill in principle, but we will look very carefully at it in detail.

MR. SPEAKER: Are you ready for the question?

MR. VIELFAURE: Mr. Chairman, I would just like to say a very few words on this Bill. I think with my accent and my name I really won't have to stand up and say that I will support this Bill. I have been asking for this legislation for some years and I've always said that I would like to see legislation that would permit those who wanted to learn French and not force it on those who did not want to. As far as I am concerned, the Bill before us does that and I want to take this opportunity to thank the Minister and the members of the House who have expressed themselves in favour of this Bill. This has been an issue that has been before us for many years and certainly the fact that it is before us and accepted I think should be mentioned, and personally I want to offer my thanks. I think this Bill will help provide greater unity, not only in this province but also in this country, because the retaining of the language by a group of people is not simply a matter of retaining a way of expressing himself, it is part of a culture of the mentality, of an attitude in life, and certainly in order to achieve that one has to know the language and the only way you can do that is you learn it properly in school.

Now I notice that there is a great deal of authority left with the Minister in this Bill and I approve of it. I think this is legislation that has to be administered properly if it is to achieve what is intended to, and I am satisfied that the Minister is the person that can do it. I am certainly in favour of this Bill and am pleased to support it.

MR. SPEAKER: Are you ready for the question?

MR. CHERNIACK: Mr. Speaker, unless someone else wishes to speak, I intend to move adjournment. I beg to move, seconded by the Honourable Member for Elmwood, that the debate be adjourned.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. SPEAKER: Bill No. 70. The Honourable Leader of the Opposition.

MR. MOLGAT: Mr. Speaker, I must say that when Bill 70 arrived on my desk it was with some surprise that I saw the contents of the Bill. I think that when we look back at the Bill that was passed in 1957, that the Province of Manitoba can be proud of the forward step that was taken at that time in establishing this difficult question undoubtedly of electoral divisions and the setting up of the boundaries, establishing it for the first time in Canada on an impartial basis. And I would like to pay tribute at this time to my colleague the Member for Lakeside who undertook that step at that time, a step which was not in the advantage of his government, and in fact which a number of people will say led to the defeat of his government.

(MR. MOLGAT cont'd)..... Well it has been stated by many others that this has been so.

The facts are that it was a far-reaching measure and the first time that it had been done in Canada. I think the Bill, by and large, is a good one. It removed completely from political influence a matter that had been for - well ever since the province had been established - one that had been very much under political influence. Now I don't mean by that that the Bill should be considered the final decision. I'm not suggesting that we should not be prepared to review this Bill, and I think that a review every now and then is an excellent thing. What I can't understand, Mr. Speaker, is that the government should delay until now that review, because the Bill that was passed in 1957 was very clear; there was no hesitation as to when the next redistribution was to come, because the Bill under Section 9 clearly says: Section 9 (1) The commission shall in the year 1967, and in each tenth year thereafter, prepare a report to His Honour the Lieutenant-Governor which shall contain the recommendations of the Commission as to the area that, in its opinion, should be contained in, and the boundaries that should delimit, and as to the name of each of the several electoral divisions in the province. Section (2) repeats again in the year 1967 and each tenth year thereafter. So the Bill was most clear, Mr. Speaker, that the review of the boundaries had to be undertaken this year. There's no question about that.

The Bill also is connected directly with the federal census and is based on what we call the half-term census, the one that comes on the year 6, and the Bill states that within 6 months of the final report of the census of the 6th year then the Commission must proceed and act. So the government knew full well, Mr. Speaker, that this matter was to come up automatically this year. There is no excuse in my mind for any delay of the government because it was their intention to study this matter. After all, we've had the Rules Committee in the past two or three years studying the rules of the House; we've had other committees of the House, Statutory Orders and Regulations and others studying various matters, and there has been no reason why any of those committees or any special committee could not have been empowered to make a study as to whether or not further changes were required in the Act.

But the government did not proceed on that basis and now are proceeding to delay the work of this Commission. Mr. Speaker, the delay is going to mean that for another full year there'll be obviously no changes in the boundaries, yet it is obvious in many areas of the province that a change in the boundaries is necessary because there have been major shifts of population. We don't have the situation that existed prior to this Bill, it's true, where we had certain constituencies five times the size of others - that is population-wise - but we certainly do have major shifts; certainly the Leader of the New Democratic Party has a very large population now in his constituency compared to the time of redistribution in 1957 because of new areas of development. My colleague the Member for Assiniboia finds himself in the very same situation. Certain portions of Northern Manitoba, I believe, are under-represented at this time. We have, since 1957, the new Town of Thompson which is almost of the size to have a constituency of its own, so there should be no delay in my mind in getting the boundaries established and making sure that the new areas can in fact be reorganized politically. And so, Mr. Speaker, I cannot see why there's been this delay by the government and why they did not proceed last year or the year before, if it was their intention to revise the Act, to bring in the legislation at that time and go through a review of the Act which may well be necessary.

Now the government proposes simply in this Bill to delay for a year. The Bill does not say anything as to what the intentions of the government are. Is it the intention to set up a special committee of the House? Is it the intention to refer to the three members who make up the present Boundaries Commission, refer to them for recommendations as to further changes in the Bill? What the government's intentions are are not stated in this Bill. The Bill is purely one of delay.

MR. SPEAKER: Are you ready for the question?

MR. LYON: Mr. Speaker, if no one else wishes to speak, I can perhaps make a few remarks in closing the debate. I believe the Leader of the New Democratic Party and the Leader of the Opposition are the only two who have participated in the debate, and to some extent there has been an overlapping of their comments about no reason being given for the delay of one year that is suggested in the Bill. And with the greatest of respect I can only refer them to the remarks that I made on the introduction of this piece of legislation wherein I tried to the best of my ability to express distinctly the reasoning of the government for the delay; namely, to - and I don't wish to detract from those remarks but to restate them rather - namely, to consider the population ratios and the geographical situation, both of which are very

(MR. LYON cont'd).... important in any redistribution of seats - electoral divisions in the Province of Manitoba. Nothing more; nothing less.

As the Honourable Leader of the Opposition has just pointed out, after 10 years this Bill does deserve that kind of consideration. We join with him in congratulating the Member for Lakeside, who as First Minister brought this legislation into the House. We subscribe as a government to its principle; we think it is the right procedure to follow. We merely wish to look at the formulae that are laid down within the Bill for the redistribution of seats in Manitoba to see whether those figures and those principles which were laid down in 1956, I believe it was, 1956-57, are still applicable today in the light of the population dynamics as we find them in Manitoba today. We really don't know what those population dynamics up to date are until such time as the census figures come in and they are not in as yet. My honourable friend the Leader of the Opposition says this could mean as much as a year's delay. That is theoretically possible. If the figures were in now and if the Electoral Commission were under way with their work, but the figures are not in, the Electoral Commission is not under way with its work because they cannot begin until the figures come, then they must begin within six months.

So looking at it perhaps on a more charitable basis, if these figures are much longer delayed the Commission could conceivably not begin its work even if this Bill did not exist - the one that we're talking about now - could not under certain circumstances begin for several months in any case; in which time everyone will have had an opportunity to consider, as I think we must over a ten-year period, what has happened to our population in Manitoba. Consider as well, as my honourable friend the Leader of the Opposition pointed out, the very important problems that we face in a province like Manitoba where we have vast land areas with small sprinklings of population, to consider how we can accord to areas and to populations in these vast areas such as the constituency of Churchill, the constituency of Rupertsland, the constituency of St. George and others which have large land bases and provide great work for the member to get around to see all of his people, to see how these changes should be made in the light to today's circumstances.

So there is very little I can add. I suggest that this Bill should receive the support of the House because I think this kind of consideration is necessary, and that next year when an opportunity has been given to everyone to consider how these formulae shape up in the light of circumstances as we find them today we can then proceed, if we find it advisable, to make such amendments as may be found to be necessary and in the public interest, because I think that is the guiding and the motivating interest of all of us in this regard, and then have the redistribution proceed, I'm sure, with no prejudice to the public interest whatsoever. I should only add - I should only add of course that it is important, I think, in terms of the question of delay that these changes should be made before the redistribution commission begins its work rather than after, and that is why the Bill is being brought in in its present form.

MR. MOLGAT: Mr. Speaker, would the Minister permit a question? Who is going to undertake the study insofar as any changes in the Act in the intervening time?

MR. LYON: All members of the House I imagine will be giving consideration to this matter. The government has already received submissions, at least one submission from the Chamber of Commerce on this matter. I daresay other submissions will be brought forward. Ultimately, the whole House will be considering any changes that are recommended, if indeed changes are to be recommended, in the form of Committee of the House with whatever legislation is brought forward.

MR. MOLGAT: Mr. Speaker, is it the intention though to have a Committee of the House undertake a study at which public hearings would be held, or is it simply the intention of the government to sit for a year and then at the next Session propose the changes that it has in mind in the form of a Bill?

MR. LYON: The latter part of my honourable friend's comment would be consistent I believe with what happened when the Bill was originally brought in. There was no Committee of the House as I recall it. There may well have been some consultation but there was no Committee of the House. I think it's the responsibility of the government to make propositions, make suggestions to the House, and then the House deal with those suggestions in the light of all the facts that we have.

MR. DOERN: Would the Minister submit to a question? If there's going to be a continual time lag between the time you get the report and the amount of time needed to study it, is there any point in having the census from '67 to '77 to '87? Maybe it should be from '68 to '78 to '88.

(MR. DOERN cont'd)..... Are you going to run into this problem ten years from now again?

MR. LYON: Well, some of us may run into the problem ten years from now. I don't know if my honourable friend will or not.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, would the Minister permit another question? Is it true that in the Conservative caucus members were asked to suggest changes that they would like to see?

MR. LYON: I don't ask my honourable friend what happens in his caucus; (a) because he wouldn't tell me; and (b) because I'm not interested. The same applies to his question.

MR. JOHNSTON: Mr. Speaker, I'm suggesting that my honourable friends are starting a political gerrymander and that's why I asked this question, because it was discussed.

MR. LYON: Mr. Speaker, if that was a question, I suggest that the comment by my honourable friend is not substantiated by any fact or circumstance whatsoever. He's trying to grab a headline. That's perhaps the way to do it, but it has no basis in fact at all and I completely - I completely reject the suggestion that that is the case in any way whatsoever.

MR. SPEAKER put the question and after a voice vote declared the motion carried.

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

MR. SPEAKER: Call in the members.

A STANDING VOTE was taken, the result being as follows:

YEAS: Messrs. Baizley, Beard, Bjornson, Carroll, Cowan, Craik, Einarson, Enns, Evans, Hamilton, Jeannotte, Johnson, Klym, Lissaman, Lyon, McGregor, McKellar, McKenzie, McLean, Masniuk, Roblin, Shewman, Spivak, Steen, Weir, Witney and Mesdames Forbes and Morrison.

NAYS: Messrs. Barkman, Campbell, Cherniack, Clement, Dawson, Desjardins, Dow, Doern, Fox, Froese, Green, Guttormson, Harris, Hillhouse, Johnston, Kawchuk, Miller, Molgat, Paulley, Shoemaker, Uskiw and Vielfaure.

MR. CLERK: Yeas, 28; Nays, 22.

MR. SPEAKER: I declare the motion carried.

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MR. SPEAKER: Bill No. 75. The Honourable the Attorney-General.

MR. LYON presented Bill No. 75, an Act to amend The Mental Health Act, for second reading.

MR. SPEAKER presented the motion.

MR. LYON: Mr. Speaker, perhaps a few words of explanation would be helpful to the members of the House. The amendments that are proposed in this Bill relate entirely to legal difficulties that have arisen with respect to the office of the Administrator of Estates and they have nothing to do with the health approach or to mentally disordered persons. They rather arise out of particularly a judicial decision which cast some doubt on the wording of a particular section and the form of administrative procedure that had been followed pursuant to that section for a number of years.

There is a correction in a cross reference which straightens out an interpretation of one of the new sections that's provided in this Bill.

There is another clarification of a section arising out of this Superior Court decision about which I spoke in which it was held that a person must be found to be or declared to be mentally disordered under the Act before the Administrator of Estates of the Mentally Incompetent could automatically take over the administration of his estate. What was intended under the legislation was that it be an automatic takeover of administration without having to go to court to have a person found to be mentally disordered or declared to be mentally disordered, and the new section, the new drafting in this section will not require the legal proceedings in many cases. It will of course require legal proceedings where the person, under Section 76, is declared to be incapable of managing his affairs.

There is another new section which is intended to provide a method of enforcing various types of orders that can be made under the Act; for example, orders for psychiatric examination or orders detaining a person in a mental institution. At the present time there is no method in the Act by which these orders can be enforced by regular judicial process.

MR. CHERNIACK: Mr. Speaker, reading this Bill naturally I think throws a querulous idea into the minds of the reader when one reads the section which provides that an application may be made by a director or a superintendent or a relative or a friend of the person, or a clergyman, a priest, a physician, mayor, reeve, councillor, justice of the peace - all of which are understandable designations - or a kindly disposed person, and one wonders what is the definition of "a kindly disposed person". I find no definition of it in the Act, and possibly the Honourable the Attorney-General who is learned in the law knows if there is a designation, a legal entity such as a kindly disposed person, that I would suggest that his draftsmanship would seem to exclude all the previous described people from being kindly disposed, because it says "any of these people or a kindly disposed person", and since I'm not one of the people so described I suppose I have no right to take offence but many would. --(Interjection)-- Oh, the suggestion was made from the opposition side that it must be members of the Official Opposition who are referred to.

Well I do hope that the Honourable Minister will clarify for us just what is meant, because I would think that anybody who wants to make sure that a person against whom an order is made will be apprehended and kept in custody in the hospital is presumed apparently to be a kindly disposed person, and one also wonders whether it's necessary to go through that entire description of all the other categories of people or if one can assume that anybody who makes application will be kindly disposed. Possibly all of these others could be taken out of the Section and just say that in such a case a kindly disposed person may proceed to have a person apprehended and kept in custody. I really wonder just what is meant by this approach.

What is more serious, Mr. Speaker, is a submission which was made to this government by the Canadian Mental Health Association in November of 1966 with a lengthy brief dealing with various aspects of the problems of The Mental Health Act, and rather than refer in detail to the brief, I do propose to read into the record a portion of the letter which accompanied the brief and which indicates certain highlights.

It sets out its opinion that The Mental Health Act of Manitoba is unsatisfactory in its provisions as to the admission and the detention of the mentally ill. It claims that the Act does not provide for fully voluntary patients, that although it allows for non-compulsory admission, once a patient volunteers to go into a mental institution he is not perfectly free to come out. The CMHA considers that it is desirable to encourage persons who have mental and emotional disorders to seek help without the fear of the loss of liberty which has for so long been a dread of accompaniment of mental illness. This to me makes sense, Mr. Speaker, possibly the

(MR. CHERNIACK, cont'd) . . . Attorney-General has other opinions about it; but the suggestion made is that if a person voluntarily requests help in a mental institution, then unless that person is later adjudicated upon otherwise, that person should have the right to voluntarily leave the mental institution and thus feel to submit to an experiment - or an experience in a mental institution, feeling that he or she would be free to leave unless of course in the interval that person would be declared to be incompetent and be required to stay there. This seems to be reasonable; I don't see anything in the proposed Bill about it.

The CMHA brief also claims that the Act is deficient in that it does not provide any means of compelling the observation or treatment of those who urgently require help to protect themselves or others.

MR. LYON: . . . to interrupt my honourable friend again on a point of order and raise the question again as to whether or not we are now discussing the principles of a Bill that is before us. I don't see how we can be discussing matters that are not before us. Now the matters that he is raising are of considerable interest and I know the Minister of Health has some of these under consideration, but they are not in this Bill. Consequently, their principle is not before us; consequently it's second reading; and we cannot be debating a principle that is not before us.

MR. CHERNIACK: Mr. Speaker, if I may on the point of order, I realize of course that I'm just a neophyte around here and haven't the experience in procedure as does the Honourable the Attorney-General, but I've had enough experience to see that there have been many occasions - and I've participated in them - when discussions have been held on what is lacking from a Bill dealing with a specific Act. Now the motion before us is an Act to amend The Mental Health Act and it's The Mental Health Act I'm speaking about, Mr. Speaker, and I am quite certain that when this goes into committee I would have the right to move an amendment to this Bill incorporating those matters which I am speaking about now as suggested amendments to the Bill. Therefore, it seems to me that in order to feel the sense of the House I have a right now to speak about those matters which might be brought in at the committee level as additional sections to this Act, and on that basis I propose to proceed unless you stop me, Mr. Speaker.

MR. SPEAKER: Well, having listened to the Attorney-General introducing his remarks, I'm wondering in my own mind if you are keeping to the suggestion that he made with regard to the principles of the Bill that is before the House at the moment. The Honourable Member for St. John's has suggested that he will be bringing these matters up before Law Amendments Committee, and I wonder if that might not be the place if we wished to go into great detail on it.

MR. CHERNIACK: Well, Mr. Speaker, in the first place I don't think I said I will bring in the amendments, I said I might or have a right to bring in the amendments.

MR. SPEAKER: I understood you to say you will.

MR. CHERNIACK: No, I'm sorry, Sir, I did not intend to say I will; I intended to say I may and have a right to, and, as such, have a right to deal with the content now in order to feel out the House. I may find that the House at this stage either accepts or rejects my ideas and it might then influence whether or not I should wish to bring in these amendments, but I . . .

MR. SPEAKER: . . . if the honourable member continue, I'm sure he will keep his remarks somewhat confined as I suggested a few moments ago.

MR. CHERNIACK: I will certainly confine them to the Bill, to The Mental Health Act and what I think ought to be in the Bill, but I certainly cannot confine myself to the narrow points raised by the Attorney-General in his introduction. However, I don't have much longer to go on this, to put his mind at rest.

Now the thing that the CMHA brief suggests that the Act is deficient in is that it does not provide means of compelling the observation of treatment of those who urgently require help to protect themselves. It says if a man is seen butting his head against the wall there is nothing in the Act for a friend, a doctor or a peace officer, or I suppose a kindly disposed person, to convey him to a hospital without a warrant. A peace officer may convey him to jail without a warrant but not to a hospital. A physician called to attend a dangerously mentally ill person at night cannot get the help of the police to take the patient to a hospital without first rousing the Director of Psychiatric Services or a justice of the peace or a magistrate, and the CMHA recommends that where a qualified physician certifies that a person is mentally ill and in danger to himself or others and in need of medical attention, he may notify the police who may enter the person's residence or other place and take him to an appropriate medical facility for examination - and I assume they mean rather than to a police station.

(MR. CHERNIACK, cont'd)

The association states that there should be adequate provision for review of the status of persons compulsorily detained in mental institutions and recommends a review board, and that's another aspect of the same problem. It seems to me - and I've only touched on the summary of what this lengthy brief contains - that there's a great deal here that should have been brought to this Legislature. The brief was presented as I say -- the letter rather dated November 23rd, 1966, as is the brief, and that should have given the government ample opportunity to review, assess and make its recommendation. On the assumption, as my friend the Attorney-General says, that the Minister of Health has been keeping this under active study, I would hope that before debate ends on second reading that we will hear from the Honourable Minister and receive some indication from him as to whether he accepts the idea or rejects the idea, and that's what I meant, Mr. Speaker, when I said that this kind of debate might then influence any changes that might be proposed in Committee.

MR. DESJARDINS: Mr. Speaker, we also have some reservations, especially some of the points covered by the previous speaker, but we don't intend to oppose the second reading. I would ask the Minister though if he could endeavour to inform the people that might be interested in presenting briefs - I think it was mentioned the Canadian Mental Health Association and I know that they would like to be here when this is in front of the committee - maybe to reserve the right to make representation and we are quite eager to listen to these people. I think that the previous speaker certainly has something - maybe this is not right at this time to introduce new principles - but during the committee stage after listening to the previous speaker, I hope the Minister that introduced this will clarify some of the points mentioned by the previous speaker when he closes the debate. We might feel the same way as the previous speaker also, that we might feel that we should introduce some amendment.

So, as I say, we have reservations but we certainly will let it go to committee with the understanding, I hope, from the Minister that these people, especially the Canadian Mental Health Association which are interested in being present, will be notified when this will appear in committee.

MR. FROESE: Mr. Speaker, my comments will be very brief. I just wish to go on record as opposing this Section 97 the way it stands. I think the Honourable Member for St. John's brought out the points very ably, and certainly if he is going to bring in amendments to the effect as he mentioned I would definitely support them, and then the Bill naturally would be more palatable when it comes back.

MR. LYON: If no one else wishes to speak, I perhaps didn't hear the Honourable Member for St. John's quite as clearly as my honourable friend. I didn't take it that he was objecting so much to Section 97 as he was saying that there should be additional procedures perhaps added to it, and I can assure my honourable friend from Rhineland that the need for the section that he has reference to is apparent when one considers that at the present time under The Mental Health Act that a Magistrate may order a person to be medically examined after evidence has been given before him, and a medical certificate is the basis for the proceedings for compulsory admission under another section of the Act.

But there is in the present legislation, and unless this Bill is passed, no method prescribed for enforcing this judicial order for examination if the person named in the order refuses to comply. The proposed amendment merely provides for the use of a warrant to apprehend where absolutely necessary, and for detention in a hospital until compliance with the requirement to be medically examined is carried out. It's just that simple. There was bound to be this vacuum in the Act whereby an order could be made but there is no means of enforcing the order, and this merely applies in those cases where when voluntary methods do not succeed on the part of the family and the psychiatrist or whomever, then a further order can be sought from the court by way of warrant to enforce the order of committal. It should not be regarded as being anything that is deleterious to the rights of an individual because of course it is only following through on an order that has already been made.

Insofar as the comments of the Honourable Member from St. John's are concerned, I think I pointed out when I introduced this Bill that the amendments that are being brought forward here to deal with a few legal difficulties have nothing to do with the health approach of mentally disordered persons. My colleague the Minister of Health is in receipt of a brief, I believe from the Canadian Mental Health Association, and I believe that there has been a brief as well from another association which takes some dispute with some of the points raised in the Canadian Mental Health brief, and to the best of my information and knowledge he is considering

(MR. LYON, cont'd) these matters at the present time. But I suggest these, while they may be very interesting, are not in this Bill at the present time, and perhaps when we get to Committee if my honourable friend wishes further information on those matters which relate to something that is not in the Bill, the Minister will be able to give them to him.

MR. DESJARDINS: Mr. Speaker, if I may, would the Minister make sure that these two groups that he spoke about be informed when this will come to committee?

MR. LYON: I would hate to give that undertaking to the honourable member, Mr. Speaker, because I don't -- I know this Bill will be going to Committee, but for me or anyone else to prophesy when it's going to be considered is another question. My honourable friend might do a great service to the organization that he spoke of if he could advise them of the second reading of this Bill, and in turn I will advise the Minister of Health of your request, but it's pretty difficult to give an undertaking to advise . . .

MR. DESJARDINS: . . . themselves as long as they're notified when this will be coming to committee.

MR. CHERNIACK: Would the Minister submit to two questions please, Mr. Speaker? Firstly, have we a right to assume from what he said that there's a possibility that the Minister of Health will be bringing in a second Mental Health Act Bill? --(Interjection)--No. So that if there were to be legislation it would have to be by way of an amendment to this Bill.

MR. LYON: I'm told that the Minister said in the House - I didn't hear it myself - that there would not be legislation on these points when apparently they were raised in another debate, and that is why this Bill is being brought forward, because it deals purely with the legal part of the Administrator of Estates of the Mentally Incompetent. It deals with two points in relation to legal matters within the Bill, nothing substantive dealing with mental health.

MR. CHERNIACK: I thank the Minister. I was not aware of the statement of the Minister of Health. Well, the second question then is: would he clarify the point I raised as to what is meant by "a kindly disposed person".

MR. LYON: I'm looking at one when I look at my honourable friend. A kindly disposed person - this is used in a number of statutes. It may be not common wording today but I think a Court would interpret it quite easily as being a person who had no particular prejudice or ill will against the person against whom the order was being sought. In other words, a person -- he may be a complete stranger, and here I'm attempting to give a definition right off the top of my head which may be inaccurate, but if I were on the Bench I would interpret it as a person who was kindly disposed to the extent that he was trying to do a service to the person, and perhaps indirectly to the public as well, to insure that in the best interests of the patient and the public that certain actions were taken.

MR. HILLHOUSE: . . . the expression then. It's not the type of expression you'd find in Dickens.

MR. LYON: No. Courts know.

MR. SPEAKER put the question and after a voice vote declared the motion carried.

MR. SPEAKER: Bill No. 62. The Honourable the Attorney-General.

MR. LYON presented Bill No. 62, an Act to amend The Limitation of Actions Act and to amend certain provisions of other Acts relating to limitation of actions, for second reading.

MR. SPEAKER presented the motion.

MR. LYON: Mr. Speaker, here again is a piece of legislation that is of considerable interest to members of the House and indeed to the general public of Manitoba, because we have before us now the proposed amendment to The Limitation of Actions Act to try to consolidate some of the limitation periods that apply with respect to different types of actions in our law in Manitoba to make them more understandable by the people who have to work with the Act and the people, all of us who are subject to the Act, and generally to introduce either drafting or substantive improvements into the Bill which we hope will improve the effect of this legislation within our province.

First of all, we have attempted within the amending Bill to consolidate in the one Act the limitation periods for all actions that can be brought in Manitoba in respect of which the Legislature has jurisdiction, or at least to give notice of any other limitation periods in the Act.

Secondly, we try in the Bill to fix two years as the limitation period for practically all personal injury claims, the main exception being injuries caused by motor vehicles.

Thirdly, the principle of the Bill, we provide a procedure by which periods of limitation can be extended by the Court in certain cases.

(MR. LYON, cont'd)

And fourthly, the principle of the Bill amends the limitation period in a number of other Acts to fall in line with the two year personal injury limitation which is provided in this legislation.

The major changes in limitation periods might be briefly touched on as follows: the limitation period for trespass of chattels has been reduced from six years to two years. Fatal Accident Act limitation period is included in one of the new sections of the Bill and the old limitation of one year for actions against hospitals has been deleted. Actions against hospitals will now fall into the same limitation period as actions against any other person.

There is a new section which retains the one year limitation period for motor vehicle claims, whether for personal injury or property damage. This is the same as we presently find in the Highway Traffic Act and is being taken out of the Highway Traffic Act and put into this statute.

There is another new section which merely makes the extension of limitation period provisions apply to all claims which were affected by the limitation periods set out in Sections 3 and 3 (a) of the Act. There is a new section added which makes limitation periods set out in other Acts inapplicable unless they are mentioned in the schedule (a) to this Bill which is being enacted.

And then there is -- a large portion of the Bill is devoted to the provisions which permit a Court to extend the period of limitation in the following cases: (a) where the damages are for injuries to the person as defined, and (b) where the material facts or some essential element in the material facts, was outside the knowledge of the plaintiff until either after the limitation period had passed or just before the limitation period had passed. And you'll note that these provisions are reasonably well circumscribed and the Court must grant special leave to proceed with the action after the limitation period has expired.

There is some detailed procedural matter set out in the part that I refer to, which is essentially the same as the procedure that is set up in Great Britain where the procedure came from. In fact the wording of this section follows in large part the wording of the English statute which was passed a number of years ago to accommodate situations where the actual knowledge of personal injury did not occur until after the limitation period had expired.

I've mentioned the new schedules that The Limitation of Actions Act . . . enacted, sets out, those Acts in which there are special limitation periods which vary from the ones set out in the Act itself. These are the only limitation periods which will differ hereafter from those set out in the Act. If the Act is not mentioned in Schedule A, then any special limitation period set out in the Act will be inoperative after this Bill is passed.

The remaining provisions of the Act make amendments to various Acts which contain special limitation periods to bring them in line with those set out in The Limitation of Actions Act amendment. The limitation periods in a number of the professional Acts may be somewhat longer than the limitation periods set out in the Limitation of Actions Act.

The other amendments merely bring special limitation periods in Acts relating to the Crown and some municipalities, brings them into line with the general limitation periods set out within the Act itself. I can mention that this matter has received the consideration of the department and of the Law Reform Committee for a period of approximately a year and a half, and we are pleased to have had that kind of careful consideration from a body of practicing lawyers who have had intricate workings with The Limitation of Actions Act over the years, and so I recommend this Bill to the House. I realize that it has in it some substantive changes which may well be the subject of some considerable debate, but by and large I think that these are progressive changes and they are changes which are in the public interest.

MR. HILLHOUSE: Mr. Speaker, I believe that this matter, that when this matter goes into Law Amendments that the Law Reform Committee will be there to make representations respecting this Bill?

MR. LYON: Well it would be pretty -- there are about 25 members of the Law Reform Committee.

MR. HILLHOUSE: I mean there will be . . .

MR. LYON: There could be a representative there, yes.

MR. HILLHOUSE: There will be representatives there. Well for that reason I wouldn't want to waste the time of the House going into some of the matters that I think should be discussed, and I would prefer to discuss them in Law Amendments.

MR. GREEN: Mr. Speaker, if no one else would wish to speak, I would move, seconded

(MR. GREEN, cont'd) by the Honourable Member for Seven Oaks, that the debate be adjourned.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. SPEAKER: Bill No. 79. The Honourable the Provincial Secretary.

MR. McLEAN presented Bill No. 79, an Act to amend The Companies Act (2), for second reading.

MR. SPEAKER presented the motion.

MR. McLEAN: Mr. Speaker, we had a preliminary run at this Bill on an earlier occasion when it was suggested that the substance of it might be introduced by way of an amendment in Committee to a Bill that was before the House for the purpose of amending other provisions of The Companies Act, and it was considered advisable that this should be brought forward by way of a separate bill which we are now doing. But Hansard will indicate that I said on the earlier occasion all that there is to be said on this matter at this stage. May I say right at the beginning that in Committee two amendments to the Bill as printed will be proposed, which are not matters of serious substance but there is the word, the term "provincial insurance company" in this Bill and it was intended to say "provincial trust company" and that is just a printing error which will be corrected, and in another section a slight amendment to make it quite clear that we in this Bill are referring to a particular section of the federal Bill on this topic of deposit insurance.

The Parliament of Canada, Mr. Speaker, has passed an Act to establish the Canada Deposit Insurance Corporation for the purpose of insuring certain deposits of monies made by the general public, and provision is made in that Bill that the provisions of that deposit insurance, in addition to being available, indeed in addition to being compulsory as it affects federal institutions as defined in the Bill and deposits as defined by the federal Bill, that in addition to that this may be made applicable to provincial institutions, and it is required that permission of the provincial Legislature must be given for the federal Deposit Insurance Plan to be available to provincial institutions.

And so members will note that this Bill does two things. First, it gives the permission, as it were, or the authorization, for the provisions of the federal Bill to be applicable to provincial institutions, and then it goes a step further and provides in effect that no provincial institution in effect or — let me put it the other way around; that provincial institutions which accept deposits and come within the terms of the federal statute, are required to belong to the federal Deposit Insurance Plan, and I think that in that respect it is quite straightforward.

I may say that on Monday of this week I attended, in company with other members of the staff of both the Provincial Secretary's Department and the Public Utilities Department, a meeting in Ottawa convened by the Minister of Finance, which was dealing with the general topic of financial institutions and in part with the matter of deposit insurance, and I find that our legislation by and large is basically the same type of legislation as has been presented and passed by other provincial Legislatures in all cases in which they are availing themselves, as we are proposing to do here, of the federal plan. I think that in the case of Ontario, the Province of Ontario has their own separate deposit insurance plan but they have made it quite clear that that is a temporary measure as far as they are concerned and they intend to withdraw their own plan as soon as the companies concerned in Ontario can become members of the federal plan as they are being authorized to do by legislation either already passed or being considered by the Ontario Legislature.

So that we're proposing here a measure which is pretty well in conformity with that which is being carried out in other provinces.

I think I may say, Mr. Speaker, that I view the federal plan — and it is now law — as excellent in principle and sound in every respect. There are, I would think, some arguments that perhaps it does not cover as many types of institutions as we might wish, and we have drawn that matter to the attention of the Minister of Finance. He has been very sympathetic in his understanding of it and we in turn understand the problems which he faces, and it may also be that perhaps the definition of deposit will require some consideration in the years immediately ahead of us. But the point I would make is that I believed it to be an excellent beginning in this field and one of which the Province of Manitoba should avail itself, and that this Bill will accomplish that task. Of course we will continue suggesting and working on proposals that will undoubtedly expand the scope of the federal plan and also its effectiveness, and on that basis I recommend this Bill to the House.

MR. DAWSON: Mr. Speaker, I would like to commend the Provincial Secretary for

(MR. DAWSON, cont'd) introducing this type of legislation, I think everyone in this House agrees that if this had been introduced a year or two ago across Canada that the financial loss that was suffered by the number, or thousands of people in Ontario through Prudential would never have happened, but I wondered why we are not including credit unions in the deposit insurance. As we know, in Manitoba here the credit unions have operated properly over the years and I don't think that I know of anyone that has gone broke or got into difficulties financially. They do have a stabilization fund of their own where they contribute five percent of their net profit each year into the central office in Winnipeg to try and build up a safety fund in the event that they went broke. However, this stabilization fund is not compulsory for them to belong to it, therefore the possibility is there that a credit union could get into difficulties and the depositors or shareholders could suffer some loss. That was one of the points I wanted to make.

A second point that I would question is 3, subsection (1). I wonder if I'm reading this correctly in so much as I gather from my interpretation of this that the minister has the right to exempt certain deposit companies. And if this is so, I wondered why it was necessary to have that type of clause in there.

MR. GREEN: Mr. Speaker, I spoke on this matter when it was first presented to the House as an amendment to the Bill respecting The Companies Act that was previously dealt with. At that time, Mr. Speaker, I indicated that Manitoba was making a very major step indeed, first of all by dealing with deposit insurance and recognizing the need of some protection for people who have invested in organizations such as are now being required to take out this insurance, but even more important than that, Mr. Speaker, we're recognizing here a principle that for this type of protection to be provided properly it has to be provided nationally, and that in order to provide it nationally it is necessary for us to subject companies incorporated in the Province of Manitoba to federal scrutiny and as a matter of fact what would effectively be a federal veto, because we say that no trust company or loan company shall accept deposits of this kind - and I'm paraphrasing - unless they have Canada deposit insurance corporation insurance, and of course, Mr. Speaker, this means that the Canada Deposit Insurance Corporation, if they refused a company in Manitoba, would in effect be saying that that company could not operate within the province, and to that extent we are willing for the protection of all to say that our own jurisdiction will at least co-operate with federal jurisdiction so that the public would be protected.

I think, Mr. Speaker, that we might be doing something else inadvertently when we pass this Bill, and I for one am happy to see the principle and I'm sure that my honourable leader, who has dealt with the question of automobile insurance for so many years, will find that it's quite significant that we are suggesting that a certain type of animal - in this case a trust company - will not be able to accept deposits in the Province of Manitoba unless they are insured with what amounts to a public insurance corporation. I'm sure the Leader of the New Democratic Party, who has been suggesting for many years that no person shall be able to drive a vehicle in the Province of Manitoba without being insured by what is in effect a public insurance corporation, will be pleased to see that this type of legislation can go through with so little difficulty, with no cry that we are engaged in some type of compulsory insurance scheme which is inhibiting the liberties of the individual. I'm going to stop, Mr. Speaker.

MR. SPEAKER: I'm sure the honourable gentleman is not making an argument for automobile insurance, is he?

MR. GREEN: I am really, Mr. Speaker, just saying that I'm happy with the principle that is now being recognized by the government benches and apparently by everybody in the House, and I hope that this principle will be extended to other types of insurance.

MR. MOLGAT: Mr. Speaker, it seems to me that insofar as the Bill goes that it is very much of a forward step. I wonder, however, if the Bill really goes as far as it needs to go and covers the type of things which may cause us difficulties if we limit ourselves as the Bill does now. My understanding of the Bill is that it refers strictly to deposits. The clause simply says that no one, no trust company will accept deposits. Now it seems to me that in many cases here we are dealing with unsophisticated investors who may not differentiate between the various types of programs that are offered to them. I know, for example, a number of these companies, in addition to taking deposits, sell these certificates, which may be a 5-year certificate or a 10-year certificate. Others may sell debentures. Others sell shares. Well, when we come on the shares I think the majority of people know that that is not a secured investment, but I think there's a danger that having passed this and giving the people the

(MR. MOLGAT, cont'd) impression now that they are protected, that there is insurance, that such and such a trust company or loan company is insured, that there may be the impression that all of the types of certificates or debentures or shares that these companies sell, are in fact insured. And I gather from the Bill that this will not be the case, that it will merely be deposits that are going to be insured.

So I think, Mr. Speaker, that if we are not prepared to go further - and there may be a reason why this can't be done at the moment - then we should take the other tack and make sure that where one of these companies who is insured under this Act sells something else, or does something else from a financial standpoint so far as the public is concerned, offers them certificates or whatever else that is not an insured item, then that that certificate must show most clearly upon it that this is not an item insured under this Act, and that this should be an item that appears in large print on the particular certificate or what it is that is being sold. Other than that I fear, Mr. Speaker, that we may in fact be creating more troubles in the future than what we are correcting, because while we would be giving the impression - or could be giving the impression that there is protection for the individual, the protection may in fact only be on one specific type of deposit and not in fact on the others. So I would like to know from the Minister whether we can expand the Bill to cover these other items, and if not then, what assurance can we give to the investors when they are dealing with a trust company, that it is quite clear what items are in fact the protective items and which are not the protective items.

I share, as well, the concern with my colleague the Member for Hamiota constituency with regard to the last section, which appears to give the Minister an unlimited free hand insofar as extending the time in which companies need to come under the Act. Now if this were followed the way it reads here, he could technically exempt in perpetuity any company that he saw fit to do so, and I wonder why that particular section needs to be in the Act and whether we should not re-word that to make it clear that there is in fact a time limit, and presumably the Minister could give us the reasons why in any case there should be exemptions.

MR. FROESE: Mr. Chairman, I rather thought that I would just ask a few questions and not exhaust my right to speak on the Bill and delay speaking on it until another time. I would like the Honourable Minister to tell us just what is the cost going to be of this insurance, what are the rates, what will be required. I think this is very important because, after all, this will add to the cost of credit to the people of this province. Another thing, I think this type of insurance just encourages sloppy management and the more of this type of insurance you will have, the poorer run organizations you will have as a result. I believe in legislation of this type if it is permissive, but I wouldn't want it to be mandatory in any way. I know for a fact that too often when insurance of any kind, or we have what they call the government auditors of credit unions, and once it's a government audit people rely on it very heavily, and yet you find that so often they didn't have this insurance to fall back on, so that they would have something to back them in case of trouble. And I'm not so sure whether you will have complete backing when something does go wrong with such large companies as did go wrong down east this last year or two. Down in the States, they've had this for a longer time, and maybe the Minister could inform us how it's working out in the States. It seems to me that because this is federal legislation it can cripple us in more than one way, and once we've joined it there's no way out for us. I would rather see that this would be on a provincial basis than on a federal basis. Mention has been made here of credit unions, being required to come under this. I hope the day will never come . . .

MR. SPEAKER: Order please. I thought I understood the honourable gentleman at the beginning of his remarks that he didn't wish to lose his privilege of speaking. I took it from that that he was going to ask questions but it seems to me that he's making a speech now. Do you wish to continue?

MR. FROESE: I was going to ask questions but I decided not to. Earlier on I intended to ask questions and not exhaust my right, but after all these other honourable members spoke I felt that rather than to continue debate at some other time that I would get into the debate at this particular time.

In connection with the credit unions being required to come in on this - and this is not included in the Bill and I'm very happy about it - they have their own stabilization fund and I'm sure as time goes on this fund will grow and that it will be sufficient to take care of their organizations. In addition to that, our credit unions have reserves of their own and most likely our other financial organizations have reserves. I would like the Minister to comment on this. Are our other organizations that accept deposits, such as trust companies, in such a poor shape

(MR. FROESE, cont'd) in Manitoba that we require this? I am not so sure. I would take it that they would have had to put up reserves over all these years that they have been in operation, so that this is not so essential after all, and as already pointed out I am not sold on this at all and I feel that we could well do without it and that this legislation should be permissive only.

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MR. NELSON SHOEMAKER (Gladstone): Mr. Speaker, I don't know whether the Honourable the Minister in his comments on introduction of the Bill suggested the maximum amount of insurance that was available to the trust companies; that is, the maximum amount per depositor. I understand that it is \$20,000. Now I have the same concern and same fear that my honourable Leader has in this respect, and incidentally, in our office we do have quite a big business now in this -- with one of the big companies, and I must say this, that we would sell probably ten times as many certificates in dollars as we would receive in deposits, if my honourable friend can comprehend what I'm saying. That is, if you take in \$100,000 I'm certain that \$80,000 or \$90,000 of it would be in the form of one, two, three, four or five-year certificates which, as I take it from the Bill, would not be guaranteed under the deposit insurance program. Therefore I hope that the trust companies and the loan companies and such, will not lead the public to believe that all forms of investments are covered by the deposit insurance, and I think, as my Honourable Leader has suggested, that perhaps we should implement legislation that will make it mandatory for some of the loan companies to put a stamp on saying that your deposits only are guaranteed to the extent of \$20,000, and that this does not apply to any of the certificates that are presently on the market. Someone has asked, and no doubt my honourable friend will give the answer when he replies, they have asked what the premium will be and will it be such that it might reduce the rate of interest that is presently being paid by some of the trust companies. And so, Mr. Speaker, while I agree 100 percent that legislation of this kind should be introduced, it seems to me that it probably does not go quite far enough.

MR. SPEAKER: Are you ready for the question? The Honourable the Provincial Secretary.

MR. McLEAN: Mr. Speaker, if I may ... a few comments in closing the debate and perhaps since what the Honourable the Member for Gladstone-Neepawa said really comes in the matters raised by the Honourable the Leader of the Liberal Party, perhaps I can just leave that and speak first of the points made by the Honourable the Member for Rhineland. The cost of the insurance that is, the premium - will be one-thirtieth of one percent on the amount of the deposits, with a minimum of \$500.00 with respect to any particular institution. I imagine there wouldn't be many that would pay the minimum, and provision is made that that may be reduced, of course, depending upon the experience of the deposit corporation. I would like to suggest to him that, rather than make for poorer run organizations, that this will make for better operated financial institutions because of the uniform method of accounting or auditing, and inspection that will be required and the fact that all member institutions will be regularly inspected and audited by the officers and representatives of the deposit insurance corporation. So that my expectation would be just as in the case of the situation with the Comptroller-General for the Province of Manitoba who sees that we do our business in a businesslike way and observe the law and so on, that that would be the case with these firms.

Now the Honourable the Leader of the Liberal Party has of course touched directly on an important point, that there are many various ways in which people invest their money and it has to be understood that this particular measure and the federal measure deals only with deposits, that is as we understand them, deposits meaning the leaving of a sum of money which the depositor has the right to withdraw, sometimes only after a certain period of time but he has the right to withdraw the money together with interest and so on.

But there are many other ways. For example, an investment contract such as is sold by Investors Syndicate or Western Savings and Loan is not covered, although from the standpoint of the person who has the \$500.00 which he leaves with a firm I suppose it would be a difficult distinction to make, especially if he lost his \$500.00. The same is true of other financial institutions, finance companies to use just a general term, who accept money and in effect give a promissory note for the money. They are not covered by this arrangement although again it would be a most difficult perhaps explanation to make to such a person. And so he is quite correct that the basic legislation which is a federal legislation - and of course our own - does not go perhaps as far as it ought to. And that was the purpose, Mr. Speaker, of the meeting which we attended on Monday in Ottawa, which was only the first of what is going to be a series of meetings and at which these very matters were discussed and indeed I had something to say myself, and we had a sympathetic hearing from the Minister of Finance who understands that the general principle of this must be expanded to include some, indeed if not all, of these other needs or methods by which people in effect leave their money with some institution on deposit - to use the term perhaps out of its strictly legal meaning - and so we shall be watching that and indeed pursuing it with as much energy as we can.

(MR. McLEAN cont'd)

He asked about the exemption, and another member, the Member for Hamiota, did as well. I would be the first to acknowledge that this isn't a particularly good thing to have here but I must say that we are on some notice that perhaps will be a difficulty with respect to companies that are incorporated in the Province of Quebec. They are planning their own legislation. It has not been brought down. We do not know the terms, although there has been some indication that it may have some special features which may make it difficult in the first instance for these companies to join in on this plan, and we've had this provision to allow us to act, fairly of course. Now some of these are some of the largest trust companies in the trust company business and this is really a measure to allow for some leeway during at least the first year of operation, but I would say that this means that our statute must be carefully looked at a year from now in the light of the circumstances as they then exist, because I would agree that, all things being equal, there ought not really to be any provision of this sort in a statute in Manitoba. We'll have to just say that that is there to give us what leeway may be required under those circumstances.

He asked if protected items -- that is, what was going to be done to say which was a protected item and which wasn't. The insurance corporation proposes some rather careful provisions which will allow an institution which has the insurance to say that a deposit is insured under this plan, and forbids them to say -- indeed with regard to other deposits they must say that it is not insured. What they don't have to do, however, is to necessarily alert a customer that the particular plan in which he may be engaged is not insured. I'll illustrate it in this way. A trust company will take money on deposit. If it does, it will have to be covered under this arrangement and it will be shown that that is a protected deposit. Trust companies also have investment contracts which will not be covered under this plan and they are not required -- while, of course, they could not say that it was a protected deposit they are not required specifically to say that it is not a protected deposit, if I make my point. And this is a point that perhaps ought to be given careful consideration. But that's the standing of the matter at the moment as I understand it.

I dealt with the matter of the exemption that was raised by the Honourable the Member for Hamiota, and then the matter of credit unions; and we are very much interested in this matter and I believe that it would be in the public interest that deposits with credit unions should be covered. But when I raised this matter with the Minister of Finance on Monday, he had three points. First of all, he said that credit unions are a little different in that the people who are depositing their money are in fact members of the credit union -- in other words, members of the corporation -- and that they were really dealing with themselves, as distinct from an outsider. Secondly, that they had a stabilization fund, although as has been pointed out it's voluntary; they're not all required to belong to it. And thirdly, and I think this is the most persuasive argument at the moment, was the very large number of credit unions there are. An enormous number. I've just forgotten the number but it's quite a number -- 16,000 I -- 6,000, the Clerk kindly reminds me -- and the physical problem of dealing with it I think was rather staggering. But it's a point well made. We're interested so far as the government is concerned and we intend to press forward on that point but we recognize the special problems that would be involved in including credit unions in this plan. My anticipation is that they will be at some time.

I'm not clear; I presume the Member for Inkster was satisfied with the Bill and I leave to others more able than I to debate the matter of the automobile insurance.

MR. SPEAKER put the question and after a voice vote declared the motion carried.

MR. LYON: Mr. Speaker, I now move, seconded by the Honourable the Provincial Treasurer, that the House do now adjourn.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried, and the House adjourned until 10:00 o'clock Friday morning.