

THE LEGISLATIVE ASSEMBLY OF MANITOBA,  
2:30 o'clock, Thursday, April 22nd, 1965.

Opening Prayer by Madam Speaker

MADAM SPEAKER: Presenting Petitions  
Reading and Receiving Petitions

MR. CLERK: The petition of Dr. Otto Arthur Olson and others, praying for the passing of an Act to incorporate The Canadian Lutheran World Relief.

MADAM SPEAKER: Presenting Reports by Standing and Special Committees  
Notices of Motion  
Introduction of Bills

MR. LAURENT DESJARDINS (St. Boniface) introduced Bill No. 105, An Act to amend The St. Boniface Charter, 1953.

MADAM SPEAKER: Before the Orders of the Day, I would like to attract your attention to the gallery where there are some 20 Grade 12 Commercial Class students from the Dauphin Collegiate and Technical Institute. They are under the direction of their teachers, Mrs. Lodge and Miss MacDonnell. These students come from the constituency of the Honourable the Attorney-General. There are also 12 members of the North Springfield 4H Club under the direction of their leaders Mrs. Strembicki and Mrs. Hnybida. These members come from the constituency of the Honourable the Member for Springfield. There are some 19 members of the Clandeboye 4H Club under the direction of their teachers, Mrs. Foster, Mrs. McRae, Mrs. D. Aime and Mrs. R. Aime. These members come from the constituency of the Honourable the Member for Selkirk. On behalf of all members of this Legislative Assembly, I welcome you.

Orders of the Day.

HON. GEORGE JOHNSON (Minister of Education) (Gimli): Madam Speaker, before the Orders of the Day, I would like to reply to a question posed by the Leader of the Opposition yesterday, asking the number of people on the staff at the Manitoba Institute of Technology. There are 101 academic and trade staff at our Institute today. We are advertising steadily and pretty well all the time because of new courses and expanding enrollment as it increases. At the moment we are advertising for three new demonstrators for new courses and expanded courses, but there is no lack of teaching staff to handle the present courses. That's really the story.

I thought, while I'm on my feet, I should draw the attention of the House to the annual secondary students' Science Fair which has been held yesterday and today at the Polo Park Shopping Centre. It would be useful for members if they have an opportunity to drop out and see this, with over three hundred and twenty or thirty individual projects. This is considered the largest science fair of this type in the British Empire. It is a practical demonstration of the scientific matters which the children discuss and learn in school, and is commended very highly to the honourable members.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Madam Speaker, I wonder if I could ask a subsequent question of the Minister regarding the Technical School. Is it not correct, then, that in the Business Machines Course there has not been a teacher in the course for the past two months?

MR. JOHNSON: Madam Speaker, I spoke to the Superintendent of the institution again at noon to ask him if this was the case. He said no, he has no actual -- no courses are being held up for lack of staff; that he just was advertising at the moment for three demonstrators for a new course and an expanding course. I'll take the question as posed now as further notice but my impression was this was not the case.

MR. MORRIS A. GRAY (Inkster): Madam Speaker, I think perhaps it would be advisable and helpful to the people if the powers that be report on the situation in connection with the flood daily, whether they have anything to report or not, but they are all confused with the reports on the radio.

MR. E. R. SCHREYER (Brokenhead): Madam Speaker, before the Orders of the Day, I would like to address a question to the Minister of Mines and Resources. I'm sorry that I haven't given him notice but I received the inquiry myself only a few minutes ago. I would ask the Minister if he has been made aware of an abnormal height of water in the marshes - the Netley, St. Peter, Libau marshes at the mouth of the Red River - and if he is aware of that has he also been made aware that this has impeded the normal muskrat trapping operations and has

(MR. SCHREYER cont'd). . . . he been requested, or has the Department been requested to extend the muskrat trapping season by three days to a week?

HON. STERLING LYON, Q. C., (Minister of Mines and Natural Resources) (Fort Garry): Madam Speaker, I have no personal knowledge of this matter although I am advised by my office that this request was made to the office, and the person involved was concerned about retrieving his traps after the regular expiry of the season; and as I understand it arrangements were made through the local conservation officer for him to retrieve traps. That's my only knowledge of that situation at the present time.

MR. SCHREYER: Madam Speaker, a subsequent question, and I put it only because the Minister has referred to someone in the singular - he said an individual. I would ask the Minister if he is aware that apparently there are some 25 to 30 trappers involved and I would ask him to take as notice the question as to whether or not a three day to seven day extension might be made on the muskrat trapping season because of the abnormal factors resulting from the high level of the Red River.

MR. LYON: I'll take that as notice, Madam Speaker.

MR. MOLGAT: Madam Speaker, I'd like to ask a question, or a request of the First Minister. Would it be possible to have the Orders of the Day posted in the gallery? I've had at least two requests from people who come here to listen to specific matters that are to come up, and if this could be posted I think it would be of some help to people who come to the building.

HON. DUFF ROBLIN (Premier) (Wolseley): We'll give some consideration to that suggestion, Madam Speaker.

MR. JOHN P. TANCHAK (Emerson): Madam Speaker, I'd like to ask a question of the Honourable Minister of Mines and Natural Resources. We have a change in regulations and I understand -- well I know that the Act hasn't been proclaimed yet but some of the people are wondering whether it is permissible for them right now to go and dig young coyotes and foxes. They're afraid that they will be prosecuted if they do so. Now I'm not too clear on that. I know that some areas were declared as predator control areas. Could these people lawfully destroy the young of the coyote and foxes now, and what happens after the Act is proclaimed?

MR. LYON: Madam Speaker, the situation of course is that the old Predator Control Act is still in effect - the new legislation has not yet been passed by the House - and I would suggest to my honourable friend that if he has inquiries of that sort emanating from his own constituency or from other areas, that he suggest to the persons concerned that they contact either their local conservation officer, the regional supervisor of the department, or directly with the Director of the Wildlife Branch, Mr. Jerry Malaher.

MR. LEONARD A. BARKMAN (Carillon): Madam Speaker, before the Orders of the Day are proceeded with I wonder if I could ask a question from the Minister of Agriculture and Conservation. I wonder if he could tell me when I could expect the Return for my Order for Return, on well drilling, on tendering a well drilling.

HON. GEO. HUTTON (Minister of Agriculture) (Rockwood-Iberville): No, I cannot. I can only say that the information is being collected.

#### ORDERS OF THE DAY

MADAM SPEAKER: Orders of the Day. Order for Return standing in the name of the Honourable the Member for St. George.

MR. ELMAN GUTTORMSON (St. George): Madam Speaker, I move, seconded by the Member for St. Boniface, that an Order of the House do issue for a Return showing: Copy of the recently signed ARDA agreement between the Federal Government and the Government of Manitoba.

MADAM SPEAKER presented the motion.

MR. HUTTON: Madam Speaker, there is no such agreement.

MADAM SPEAKER: The adjourned debate on the second reading of Bill No. 102. The Honourable the Minister of Mines and Natural Resources.

MR. LYON: Madam Speaker, I wonder if I might have permission from the House to have this matter stand? There's one matter that I want to get information on before I close the debate.

MADAM SPEAKER: The adjourned debate on the second reading of Bill No. 90. The Honourable the Member for Selkirk.

MR. T. P. HILLHOUSE, Q. C., (Selkirk): Madam, when I adjourned the debate yesterday on this bill I did so for the purpose of giving it a closer perusal. I have done so, and I find that this bill embodies two of the main principles that I suggested in my remarks on a resolution which I introduced into this House last August in land acquisition. The two principles that I suggested should be the underlying principles in any such legislation, should be that the emphasis on acquisition of land by negotiation should be the primary emphasis, and secondly, that we should try to attain and achieve a uniformity of practice and procedure in respect of land acquisition matters and particularly in respect of fixing compensation for that. I believe that Bill 108 does embody those two main principles and I am very pleased to give it my support.

MADAM SPEAKER: Are you ready for the question?

MR. MOLGAT: Madam Speaker, before the matter comes to a vote, I'd like to say that I'm pleased to see that this bill is before us. I really think that it is very late. The government has already purchased a great deal of land in Manitoba under a number of different formulas, with different practices being applied, and I don't think there has been satisfaction either insofar as the people from whom they have purchased, or insofar as the taxpayers, that there's been satisfaction that it has been properly handled. However, I suppose better late than never, and we are now going to proceed, I presume, under the new Act with a better system.

I am concerned, however, that the Act will not cover the utilities. I appreciate the problem facing the government here. The utilities are independent bodies so far as their operations, and to have them to submit to this formula might be a little difficult. On the other hand, it seems to me that unless we can arrive at a standard formula for them as well, that we will not really be covering the problem completely, because that is one area where there has been a good deal of difficulty in the past. I'm sure the Minister is aware of the problems that arise - for example on easements for Hydro in particular - and the difficulties are obviously going to continue because we will be expanding our system, we'll undoubtedly have to be putting in heavier lines in the future, and there has been here some real concern, in rural Manitoba in particular, as to the procedures followed. I think that the Hydro has attempted to correct some of its mistakes in this field, and I know a change of policy came about a year ago whereby instead of going on the old policy of an easement price, and then that was settled, that they were going to pay over the years as well, but there are still difficulties here, and unless we can bring them in some way or other into the whole operation under the one arrangement I think that it will not be fully satisfactory insofar as the people of Manitoba are concerned. One of the difficulties that constantly arises on particularly the Hydro type of expropriations - I shall continue after, Madam Speaker.

His Honour the Lieutenant-Governor having entered the House and being seated on the Throne, MADAM SPEAKER addressed His Honour in the following words:

May it please Your Honour, the Legislative Assembly, at its present session, passed several Bills, which, in the name of the Assembly, I present to Your Honour and to which Bills I respectfully request Your Honour's Assent.

MR. CLERK:

- No. 4 - An Act to amend The Fire Departments Arbitration Act.
- No. 22 - An Act to amend The Rivers and Streams Act.
- No. 28 - An Act to amend The University Act.
- No. 30 - An Act to amend The Dairy Act.
- No. 31 - An Act to amend The Horned Cattle Purchases Act.
- No. 32 - An Act to amend The Agricultural Societies Act.
- No. 33 - An Act to amend The Horticultural Society Act.
- No. 34 - An Act to amend The Livestock and Livestock Products Act.
- No. 35 - An Act to amend The Natural Products Marketing Act.
- No. 37 - An Act respecting the Liability of Guarantors of Debts.
- No. 39 - An Act to amend The Public Schools Act (1).
- No. 41 - An Act to amend The Official Time Act.
- No. 45 - An Act to amend An Act to incorporate The Convalescent Hospital of Winnipeg.
- No. 46 - An Act to incorporate Manitoba Museum of Man and Nature.
- No. 47 - An Act to amend The Public Schools Act (2).
- No. 49 - An Act respecting the Safety of Employees in their Employment.
- No. 50 - An Act to amend The Insurance Corporations Tax Act.

(MR. CLERK cont'd).....

- No. 51 - An Act to amend The Employment Standards Act.
- No. 52 - An Act respecting The Horse Racing Commission.
- No. 55 - An Act to amend An Act to incorporate "The Ice Club of Greater Winnipeg."
- No. 56 - An Act to amend The Department of Agriculture and Conservation Act.
- No. 59 - An Act to amend An Act to incorporate The Jewish Foundation of Manitoba.
- No. 62 - An Act to amend The Agricultural Credit Act.
- No. 63 - An Act to amend The Companies Act.
- No. 79 - An Act to amend The School Attendance Act.
- No. 92 - An Act to amend The Workmen's Compensation Act.
- No. 94 - An Act to amend The Change of Name Act.
- No. 98 - An Act to amend The Charities Endorsement Act.

In Her Majesty's name, His Honour the Lieutenant-Governor doth assent to these Bills.

MADAM SPEAKER: The Leader of the Opposition.

MR. MOLGAT: Madam Speaker, as I was saying, I am concerned that we do not get coverage here insofar as the utilities are concerned. I realize that the Act does make provision whereby there can be an investigation, or at least an appraisal made and an approval given of the price that the utilities are going to pay for land. However, as the Minister no doubt is aware, in many cases the utilities do not purchase the land; they operate it on an easement basis. And I think there is some question in Manitoba now that some of the easements that have been given in the past are not felt to be fair by a number of the landowners. There's the obvious difficulty in the case of Hydro and Telephone, where you have - because of the nature of their operations - a very long strip of land being taken; and while they are not making use of that land as such, they do have to put installations, either poles or towers. There's the problem of -- continuing problems insofar as the landowner there is concerned, and I think that we might have a look at some possibilities of review of easements that have been granted in the past, where there have been changing circumstances. And this certainly can occur because of new developments in areas or change of land practices, and so on.

So I would suggest to the Minister that he might study this matter further and see if it would not be possible - keeping in mind the independence of the commissions - nevertheless to bring them, insofar as that particular portion of their operation, under this particular Act. So Madam Speaker, I am going to support the Act. I think it is closing the door on the stable long after the horses have gone, but, as I said, better late than never, and let us hope that this will correct the obvious errors that have existed in the land-buying practices of this government.

MR. SCHREYER:.....we support this legislation in a general way. The concept of having land acquired for the Crown under the aegis of a single department or authority seems to be a good one for the sake of uniformity and in order to avoid confusion in land acquisition practices and so on. I think it must be said, however, that this legislation is bitterly late. Of course, for land acquisition in the future it may well be a good thing; but thousands of acres have been expropriated in ways that have been at variance one with the other, which is unfortunate.

Now this bill, the purpose of this bill will be to bring under the authority of one Minister the power to acquire land for the different departments and agencies of the government. This is fine. But the powers of the Expropriation Act, as such, are not really changed in any basic or elemental way. I notice that throughout the bill there's reference to the Expropriation Act applying mutatis mutandis, and we find it on one page and then on the next page, and so on. Well this is another matter having to do with land acquisition that will have to be gone into at some time. As the Honourable Member for Lakeside said the other day, we must look at the Expropriation Act also, and the sooner the better. I'm not sure whether the Minister of Public Works is particularly anxious to have to have this sort of power vested upon him, but from what little I know of his department's expropriation procedures, their record is, if anything, better than that of the Department of Water Conservation and the Department of Mines and Resources. although I must point out that in at least two small incidents even the Department of Public Works has violated the Expropriation Act. Property that had not yet been expropriated was entered upon by road builders; excavation commenced. Seven and ten days later notices of expropriation were sent out. However, in general and on the whole, the Department of Public Works seems to have the most experience over the long run in this sort of matter, and I think it's probably a good thing that it's this department and this Minister that is being given this authority. So Madam Speaker, it's really in committee, when we deal with the sections of the bill, that we will have more specific comment to make.

MR. J. M. FROESE (Rhineland): Madam Speaker, just a few comments. I take it that if this bill is approved and read into law, that our first resource will be this commission, that this commission will be asked to act, and that the expropriation procedures will only follow in a case where nothing can be done by this commission. However, in a case where they do expropriate, will the commission be called on to perform some work in evaluating property and so on? Then also, in connection with the appeals, where you have expropriations and where you have appeals, will they still be made or will we be satisfied with whatever the commission recommends?

HON. STEWART E. McLEAN Q. C. (Attorney-General) (Dauphin): If there are no other speakers, Madam Speaker, I'd be glad -- just a word or two in closing the debate. I'm taking the matters in reverse order with respect -- The question posed by the Honourable Member for Rhineland respecting expropriation. If the acquisition cannot be completed without the expropriation proceedings, then at that point -- that is to say, at the point at which the expropriation proceedings are lodged -- the Appraisal Commission will not have any functions to perform, because their function will have been performed prior to the time that expropriation is undertaken, and the members will have noted that there is a provision that any certification as to value which the commission has indicated would not be binding upon the owner of the land and he would be free to bring in evidence of value as he would see fit in order to substantiate his claim before the expropriation authority.

The Honourable the Member for Brokenhead is correct that nothing has changed insofar as the Expropriation Act is concerned, and in its present form it might under the regular circumstances be used. I think that I could share his regret, and the regret also of the Honourable the Member for Lakeside, that the Expropriation Act has not been revised. We are anxious to do as good a job on it as possible and it would be our hope that when we bring in a new Expropriation Act that it will be a complete codification of all of our various expropriation provisions in the province, and of course it will -- that new statute -- if and when it becomes part of the law of the province, will be applicable under the provisions of this Act.

I think we all share the concern expressed by the Honourable Leader of the Opposition respecting the utilities, and it is a difficult place here to find satisfactory ground but I would think that we would be more than happy to examine how this system works, and in particular how it is working out in relation to the important matter of easements, which are of perhaps more common concern to the Hydro and the Manitoba Telephone System. We haven't any experience to go by at the moment but certainly assure him that we would be more than happy to see how the results are coming after the bill is in operation for a reasonable length of time, and undoubtedly there will be amendments proposed from time to time before this Legislature.

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

MADAM SPEAKER: The adjourned debate on the second reading of Bill No. 114. The Honourable the Member for Brokenhead.

MR. SCHREYER: Madam Speaker, I am trying to do some statistical or actuarial work, and I'm very poor at it, so I would ask for leave to have the matter stand one more time.

HON. J. B. CARROLL (Minister of Welfare) (The Pas) presented Bill No. 122, An Act to amend The Elderly and Infirm Persons' Housing Act, for second reading.

MADAM SPEAKER presented the motion.

MR. CARROLL: Madam Speaker, last year during the passage of The Elderly and Infirm Persons' Housing Act, one of the sections by oversight contained the word "equalized assessment" rather than "rateable assessment". Rateable assessment is used in other sections of the Act, and this refers to the apportionment of taxes where there is more than one municipality involved in an Elderly or Infirm Persons' housing project. This oversight has come to our attention and we are proposing to remedy it with this bill.

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

MR. McLEAN: Madam Speaker, would you be good enough to call the motion on Ways and Means.

MADAM SPEAKER: The adjourned debate on the proposed motion of the Honourable the First Minister, and the proposed amendment thereto by the Honourable the Leader of the Opposition, and the proposed sub-amendment by the Honourable the Member for Brokenhead. The Honourable the Member for Assiniboia.

MR. MOLGAT: Madam Speaker, the Member is absent but we have no objection if anyone else wishes to speak.

MADAM SPEAKER: Any other member wishing to speak? The Honourable Member for Burrows.

MR. MARK G. SMERCHANSKI (Burrows): Madam Speaker, it appears that the present administration is continuing to follow a pattern of excessive expenditures and, in general, appears to be justifying this action by saying to the taxpayers and people of Manitoba that "you never had it so good." Madam Speaker, with all the additional taxes in terms of the fuel tax, utility tax, it is very difficult for the average taxpayer in Manitoba today to feel that he never had it so good. It seems to me, Madam Speaker, that this approach is not unlike the approach that was used by the Diefenbaker administration in Ottawa and we experienced in that administration some of the most wasteful expenditures and that the Federal Government in those days was living beyond its means. Yet we have another Liberal Government following in the footsteps of the Diefenbaker administration, and we are now finding that the Federal Government is able to come within balancing its budget, and I recommend that same type of efficient administration and an effort to increase the expenditure of the government based on the normal growth of the normal tax load that the people of Manitoba should carry.

We have experienced what I would consider a very sad situation in the study and investigation of the Interlake area under ARDA. As I see it, there has been some \$600,000 spent to date with an undertaking of some 25 surveys and studies, now out of which we have a completion of approximately four or five reports. I appreciate that most of these funds are made available through the Federal Government, but then the expenditure of these funds are administered by the Provincial Government. We hear much in the way of very glowing reports and very encouraging results of what is going to take place in the Interlake area, but Madam Speaker, for over the last three years this has been going on and certainly there will be very little good arrive in the Interlake area from studying a series of 25 or 26 reports. In 1964, and more specifically on April 4, 1963, just about two years ago, both the Minister of Agriculture and the Minister of Industry told us that the Interlake could produce industries of a secondary nature - industries that could produce turkey and poultry processing operations, the production and packaging of honey products - and that there were a continuing number of investigations in conjunction with the Department of Agriculture, the Department of Industry and Commerce, the Department of Mines and Natural Resources and the University of Manitoba. As a matter of fact, if my memory serves me correctly Madam Speaker, the Minister of Agriculture made the remark that the development of industry in the Interlake area was passed up before but this will stop. Now Madam Speaker, that's two years ago and there has been no change; there has been no progress made in establishing and bringing in something of a new industry into the Interlake area.

What has been done in the last two years? Now, two years later, we are now talking about a new approach. We are now talking that we are going to undertake additional new surveys and that these surveys are designated to help local communities to help themselves. And I recommend that remark to you, Madam Speaker, because it is a very interesting phrase: "designed to help local communities to help themselves." Now if the Roblin government is not prepared to undertake this leadership, if the Ministers of this administration are not prepared to undertake this type of responsibility, I do not think that the people of the communities living in the Interlake area are in a position to do this themselves.

In addition, Madam Speaker, we are told that we will now undertake a very intensive study by requesting confidential questionnaires from the various people living in the Interlake area, and we are going to submit these to programming and put them through computers; we are going to have analysts and geographers analyze this; and I think that when this has all been analyzed and processed, the fact will remain, Madam Speaker, and the conclusion that they will come to is: what should we do for the Interlake area? I would strongly suggest that the geographers confine themselves possibly to the field of geography and that the analysts correctly confine themselves to research and proper analysis, but that some place along the way we need proper leadership, and this leadership, Madam Speaker, we are lacking and we are lacking it in a very material way as far as the ARDA project is concerned in the Interlake area, and I single out the Interlake area because this has been pointed out as being a depressed area, as being the area into which the largest amount of ARDA funds in the Province of Manitoba has been channelled into, and it is unfortunate that no definite progress in a material way is being made in this area. Why all this waste? With \$600,000 expenditure, Madam Speaker, we could have established with this money a national growth in terms of industry in this area of some, over \$6 million. Why does it take so long to get off the ground and do something concrete? In my opinion, Madam Speaker, this government is not competent to direct such a program and it's not competent to industrialize the Interlake area; and I think it would be more justified in telling

(MR. SMERCHANSKI cont'd). . . . . this to the people and stop fooling them. Either you can do the job or else you can't do the job. --(Interjection)-- Well if we're in orbit maybe we should add on a little rocket fuel and take off for the moon.

There are various industries that can be developed in the Interlake area, and Madam Speaker, to develop these you do not require additional study. What you require is build the buildings, put in the machinery, develop your markets, and get on with the job. These projects, Madam Speaker, they require a proper approach to assess the possible development of such new plants and simply get the industrial development of this area underway. If the money is available the rest is very easy, because I can assure you, Madam Speaker, that the people in this area are very enterprising, very hard-working people, and they would be quite willing to assist if given the proper financial leadership.

Madam Speaker, the tax structure and the approach to the development of secondary industry and even primary industry in the Interlake area and in other rural areas of Manitoba is completely unrealistic. Why do I say completely unrealistic? It is the inability of this government to properly come to the conclusion from the surveys and reports to arrive at a proper launching of industrial development. It would appear to me that there is some lack and some fuzzy thinking and some fuzzy approaches to developing industry in the rural parts of Manitoba. It is not a secret. It is not a difficult problem. It can be a complicated problem, but by the same token it can be solved.

Madam Speaker, I again relate to the Interlake area because this was chosen to be a depressed area, and yet this same government has not seen fit to declare or recognize this area as a depressed area. We have other such areas in Canada that are far better off than the Interlake area, and these areas have been classed as depressed areas; they have had concessions from the Federal Government in terms of a three-year free tax period; they have been given grants through the Municipal Development Assistance that the Federal Government gives, in terms of sewer and water services; and we in this province have not seen fit to do this. So one must come to the conclusion that we are enjoying some excellent conditions in this so-called depressed area of the Interlake section.

Here again we must lay this blame at the feet of the present government. I maintain that the Roblin Government is poorly organized and does appear to be totally confused in reference to this approach. Surely, Madam Speaker, areas in Ontario - far more industrialized than we are here in Manitoba - who have seen fit to declare certain areas as depressed, were a lot better off than the average rural area in the Province of Manitoba, and the question remains, why haven't we done this? Could this government tell me why it takes such a strong stand in its approach to discourage the municipalities from making tax concessions to industry especially in rural Manitoba? I mentioned this matter two years ago, Madam Speaker, and there was great laughter and glee on the other side of this House. If any industry, if any area needs help, that is rural Manitoba. I don't think that there's a single elected member of his constituency that won't admit today, now, no matter what party he belongs to, that there is a need in some part of his constituency for a small industrial enterprise.

In reference to these tax concessions in terms of the municipalities, Madam Speaker, this is not a big request. This is a request that is within the means of the municipality because indirectly you establish an industry which is contributing to the tax structure, you are providing work for the local people who will remain in that particular town or area and who in turn will contribute from the standpoint of taxes to the community. So that in the final analysis, whatever tax concession might be given to industry is really a small percentage of the dollar benefit that the community eventually is able to enjoy.

The other matter is, Madam Speaker, that if you run a telephone line from a rural point to Winnipeg, the cost of maintaining that line for business purposes is completely unrealistic and out of all proportion of what might be considered as a fair charge for a business telephone, and when you get these businesses located outside Winnipeg they're faced with a higher cost of telephone communication; they're faced with a higher cost of transportation costs, because you do have to have some raw materials going out and you will have to have the finished material coming back. You may be located in a little village where you have to provide your own water facilities and you may have to provide your own sewage facilities. All these are an added cost to establish business in rural Manitoba.

So then the question arises, Madam Speaker, why not locate in the City of Winnipeg? Why go out into rural Manitoba? -- there is simply no advantage. Madam Speaker, we in Manitoba, because of our location, can establish new industries in Manitoba and we can only compete in

(MR. SMERCHANSKI cont'd). . . . . the Canadian, American or on the foreign market, only if we have some decided advantage to compete in these outside areas, and one of the main stumbling blocks to industrial development in Manitoba is our high cost of electric power. Now, power in Ontario on the same basis of comparison is cheaper by some 20 percent. I know in the past when I have made this statement, it was said that this was just a statement that was being made. But Madam Speaker, we have submitted our power bills to the Province of Ontario and on the same basis, on the same consumption, on the same kilowatt hours consumed, the bill is assessed to be any place from 15 to 25 percent lower in Ontario than it is in Manitoba, or an average of approximately 20 percent. --(Interjection)-- Add on another five now is correct. I didn't include that.

The Roblin government, on the other hand, says that the figures released by the Bureau of Statistics concerning power costs are not factual and that the comparison is not based on similar facts. I recommend to this House what can be better based on similar facts by submitting the same electrical bill to be assessed by an adjoining province as the same bill has been assessed in the Province of Manitoba.

We on the other hand talk about exporting power. How can we export power into areas where power is cheaper than our own power? That means that the industry that has been established in Manitoba, the consumers of electrical power in Manitoba will have to indirectly subsidize the advantages of exporting this power. Wouldn't it be better to have cheaper power rates in the Province of Manitoba and attract industry into the province to consume the power within our own boundaries?

There is much to be done in the field of metal smelting, in the production of special alloys, special tool steels, in this province, which are simply fantastic users of electrical power. We can also go into the metalliferous field where we now have got electrical methods of smelting the ores which come of iron, nickel, copper; and we could establish one of the finest, one of the outstanding electrical melting alloys in the entire North American continent. No way of carrying this out? Close to the Arctic Circle? In a similar manner through electrical energy consumption on the site.

I think I visited that site some four years ago, Madam Speaker, and I was totally fascinated by a community of some 12,000 people living completely off the production of special alloy steels that are sold throughout the entire world. Now we in Manitoba can do the same thing. If we on the Nelson River have got a large power development project, let's develop it. Let's bring industry into the province; because if we wait we might wait too long; because we may be faced with other sources of power and be not in that position, that favourable power development position, in years to come.

I would like to review briefly that at one time when we were talking about the export of coal from our western provinces, there was a word of caution given to us by many people that it is better to conserve our energy in this country rather than export the coal. Well it wasn't so long ago that coal went out of style, and today many of these undeveloped coal fields are not being utilized. Then we had oil replace the coal fields, and we were rather concerned about the running out of our oil supply. Today, heating fuel oil as it's known is almost at the point of being a drug on the market, because gas is rapidly displacing the use of oil in our everyday heating and industrial use of gas. Madam Speaker, in the same way that coal went out of style, heating oil is going out of style and is being replaced by fuel gas, so will atomic energy displace the advantages of gas and so will the tapping of subterranean energies of heat subsequently replace those of atomic energy, because this is progress.

I would like to feel that bygone enthusiasm, which was originally brought into the front so strongly in reference to the development of new industries in Manitoba, be revived and be made a motto for this government and for this province. Madam Speaker, a 5 percent fuel tax, a 5 percent tax on your telephone bill, a small tax on your utility, a small tax on this item and that item, taken individually don't mean very much, but taken collectively, and taken collectively with the other direct and indirect consumer's tax, makes it a burden as far as industry is concerned in the province, because if you have to establish an industry, Madam Speaker, it makes no difference if you borrow the money from the bank or borrow it in the form of a bond or debenture issue from the people in this province, or for that matter if you borrow it from one of the borrowing agencies of the government, the fact of the matter is that that money has to be paid back, and that money can only be paid out of profit and it is the responsibility of the individual that starts this industry. This is an obligation that he must fulfil.

Then you have the matter of additional taxes; you have the matter of the community to

(MR. SMERCHANSKI cont'd).....deal with. Then of course you have to go out and fight and develop your market, because a market you must have in order to have a properly functioning industry. Then into that whole situation you are looked upon as being a very successful individual because you have created a new industry; you have given employment to the people in the area. So you have to be very much community-minded. You must contribute to all the community affairs - the church, various clubs - and all of these are a very necessary -- all perform a very necessary function in the community. But the fact remains, Madam Speaker, that somewhere, somehow, you have to have a spark plug, and somewhere you have to have the individual that is responsible in order to oversee and protect this so that it will function as a proper economic unit. And I say, Madam Speaker, that this industrial climatic background that is required in the Province of Manitoba is simply not there, and I say so, Madam Speaker, not because I think so. I say so because if you examine the background of Ontario and Quebec and even British Columbia, and any other province, Madam Speaker you have to come to the unfortunate conclusion that the Province of Manitoba is one of the provinces that's near the bottom, and this is probably why, Madam Speaker, our population growth in this province is not in keeping with the average population growth in the other provinces of Canada, and I think that this government owes the people of Manitoba a responsibility to correct, to correct that unfavorable balance, and the only way that you can correct that unfavorable balance is to examine the multiple taxations that are being imposed on an industrial enterprise in this province. You take the cost of transportation, Madam Speaker - very vital to the existence of industry in the province. And all these things -- you are just putting on a heavier load onto the industrial manufacturers and industry in this province bit by bit until you overload them and you will finally break its back.

Madam Speaker, I think that it is high time we in this province threw all the matter of taxes into a bag and then laid them all out before us and analyzed them in terms of their usefulness. Also analyse those taxes in terms of the advantage that we as a province are going to have by virtue of getting an increase in our revenue by the normal growth of an average, fair and equitable tax, because I think, Madam Speaker, most of us must agree that we have somewhat of a tax jungle in the Province of Manitoba, and as long as we continue to have these high taxes, as long as we continue to take away the authority from our municipal bodies in rural Manitoba, the possibility of developing industry in rural Manitoba is going to become a more difficult task. And I say this, Madam Speaker, again, from actual experience, because we just happen to be associated with an enterprise within the Province of Manitoba identically the same with one in Ontario and you could see the difference between day and night. It does cost us more to operate in Manitoba and yet this should not be so. I would like to see it the other way round, so that we would have every reason to say: "Come into Manitoba. You will make an additional dollar or one cent more," and encourage the industrial growth of rural Manitoba.

MR. SAUL CHERNIACK Q. C., (St. John's): Madam Speaker, I wonder if the Honourable Member would permit a question. I'm wondering whether he is speaking on behalf of his party when he recommends that municipalities give cash concessions to industry.

MR. SMERCHANSKI: Madam Speaker, the matter of tax concessions in a municipality has to be taken on its own merit depending on the industry coming in, the amount of employment that industry will give to the community, and the amount of tax contribution that this industry will contribute indirectly by the number it employs and the amount of raw material it will purchase.

MR. SCHREYER: .....one question if the member would permit. Just at the concluding stage of his speech the Honourable Member said that two identical industries in Ontario and Manitoba, that the cost of operation in Manitoba was somewhat higher. Would that be because of higher labor costs or because of higher other costs such as energy or something?

MR. SMERCHANSKI: I was referring primarily to the higher cost as far as the indirect cost of taxation is concerned.

MADAM SPEAKER: Are you ready for the question?

MR. GUTTORMSON: Madam Speaker, I believe the matter stands in the name of the Member for Assiniboia, doesn't it?

MADAM SPEAKER: Agreed to have it stand in the name of the Honourable the Member for Assiniboia?

MR. ROBLIN: Madam Speaker, would you be kind enough to call the resolution dealing with legal aid.

MADAM SPEAKER: The adjourned debate on the proposed resolution of the Honourable the Attorney-General, and the proposed amendment thereto by the Honourable the Member for Brokenhead. The Honourable the Member for Rhineland.

MR. FROESE: Madam Speaker, I adjourned the debate the other day in order to check the amendment that was proposed by the Honourable Member for Brokenhead to the resolution before us at that time. I am in support of this resolution before us. The matter has been debated when we debated the estimates of the Attorney-General's department earlier in the session, and we also note that a certain amount was allocated for this very purpose as pointed out by the resolution to give legal aid, and I think the resolution is good and that we should take a look whether the provisions that we allocate and whether the provisions provided by the Law Society is adequate and whether this should not be extended. I think there is room for improvement and certainly we as members of this House should satisfy ourselves that the matter is looked into and that we are doing the job that is being called for. I think many people are not aware of their rights when it comes to matters of law, and too often as a result of this people will suffer because of not having taken proper action in the first place. Probably after the matter has been looked into there might be further legislation develop as a result, and so I give my full support to the resolution as well as to the amendment.

MR. McLEAN: Madam Speaker, if I may just very briefly speak on the amendment which has been proposed by the Honourable the Member for Brokenhead. I would like to say that I am unable to support the amendment which he has proposed. The proposed amendment deals, in my opinion, with something which is extraneous to the resolution itself. Indeed, although I do not make this argument, there might be some question of whether or not it was relevant to the main motion, but in any event, Madam Speaker, it is my opinion that the matters referred to in the proposed amendment, while perhaps important in themselves, are not germane to the matter of the resolution, which is with regard to the provision of legal aid and advice to needy persons. It will be noted that the proposed amendment deals rather with what one might generally term the administration of justice with respect to pre-trial procedure, probation officers and sentencing procedures; all of which, as I say, are naturally quite important matters in themselves, but not what is the main subject matter of the motion, namely, the means by which free legal aid may be provided to needy persons. And on that basis, Madam Speaker, I will have to oppose the amendment that has been proposed.

MR. GRAY: Madam Speaker, I understand that this motion - whether it's worded one way or the other way I'm not interested - is for the purpose of defending and protecting an accused man who cannot afford the protection on his own; he cannot afford a lawyer; he cannot afford to get bail; he cannot afford to get anything, and he is almost convicted before the trial to stay in jail until such time as his case is disposed of. What difference does it make? Words! I cannot understand it. Supposing the wording is differently, is that your intention? That's good enough for me. But why bicker about words in the amendment? Stick to your idea. Stick to your ideal. Stick to your intentions and never mind all this wording, whether it's one way or the other. The trouble is, you know too much grammar.

MR. RUSSELL PAULEY (Leader of the New Democratic Party) (Radisson): Madam Speaker, I think that I should add a few words to those that have just been spoken to my colleague, the Member for Inkster. I cannot see the logic of the argument of the Attorney-General in reference to the amendment proposed by my colleague from Brokenhead, because if one takes a look at the resolution as proposed by the Attorney-General, one cannot consider the same without feeling that one of the objectives of the resolution is not only the question of free legal aid but advice to needy persons as well. And I suggest to my honourable friend that it is on the question of advice that the motion, or amendment proposed by the Member for Brokenhead, has been based. Because if we look at Clause (a) of the resolution proposed by the Honourable the Attorney-General, that this committee appointed inquire and report to the House as to the extent and adequacy of the provision now made by the Law Society and the Government for furnishing legal aid - which is one thing - and advice to needy persons, this question. Madam Speaker, of the advice, certainly enters into the ambit of the amendment that's proposed by the Member for Brokenhead. Because surely the Honourable the Attorney-General cannot dismiss from the general area of legal aid and advice, cannot dismiss the advisability of inquiring into pre-trial procedures, the matter of fixing bail and the use of probation officers, and also, the adequacy of other pre-trial and pre-sentencing procedures and provisions.

I suggest, Madam Speaker, that they are inter-related with the question of free legal aid,

(MR. PAULLEY cont'd), . . . . . because if a person is called before the Bar of Justice or is charged, surely the question of pre-sentencing procedures and provisions, if indeed the charges result in sentencing, they are an important relationship so far as advice is concerned. And certainly the suggestion made in the amendment as to the adequacy of other pre-trial provisions and procedures, they're all correlated with the very proposition that the Honourable the Attorney-General lays before us in the main resolution. I say to my honourable friend, is it not part and parcel of the same matter, that the question of advice given to people who may be called before the Bar, so far as how they stand on a pre-trial basis? I suggest that it is. I suggest that many people who are summonsed should be in a position, on receipt of the summons - in many cases at least - to the provision of all advice that's available, and we suggest that at the present time this advice is not adequately given.

It might be -- it might be that if the committee that the Honourable the Attorney-General is going to refer this matter to would be well-qualified and well able to take into consideration these other matters as well, so that those people - and the resolution refers to needy people - will have the advantage of being fully informed. And it could well be, I suggest, Madam Speaker, that if these people were fully informed as to what happens as far as pre-trial is concerned, pre-sentences basis, it might obviate in many cases the necessity of direct free legal aid. It might be that through full information, or more information as to their circumstances as to the law itself, that they may be able to be cared for in a more proper and a better method. So I suggest to my honourable friend that this is an important part of the administration of justice - pre-trial as well as the trial itself. And I ask my friend if he would not reconsider the stand that he has now taken.

MADAM SPEAKER put the question and after a voice vote declared the motion lost.

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

MADAM SPEAKER: Call in the members. The question before the House, the proposed motion in amendment by the Honourable the Member for Brokenhead.

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

YEAS: Messrs. Barkman, Campbell, Cherniack, Froese, Gray, Guttormson, Harris, Hillhouse, Hryhorczuk, Johnston, Molgat, Patrick, Paulley, Schreyer, Shoemaker, Smerchanski, Tanchak, Vielfaure and Wright.

NAYS: Messrs. Alexander, Baizley, Beard, Bilton, Carroll, Cowan, Groves, Hamilton, Harrison, Hutton, Jeannotte, Johnson, Klym, Lissaman, Lyon, McDonald, McGregor, McKellar, McLean, Martin, Mills, Moeller, Roblin, Seaborn, Smellie, Stanes, Steinkopf, Strickland, Watt, Weir, Witney and Mrs. Morrison.

MR. CLERK: Yeas, 19; Nays 32.

MADAM SPEAKER: I declare the motion lost. The adjourned debate on the proposed resolution of the Honourable the Attorney-General.

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

MR. ROBLIN: Madam Speaker, may we proceed, please, with the debate on the Constitution?

MADAM SPEAKER: The adjourned debate on the proposed resolution of the Honourable the Attorney-General. The Honourable the Leader of the Opposition.

MR. MOLGAT: Madam Speaker, there would appear to be in Canada at this time fairly general agreement that we should proceed with the patriation of the Constitution. Having said that, however, the area of agreement does not seem to continue quite as readily, and it is obvious that on two basic matters there is, in spite of the agreements that appear to have been reached last September, possibly a growing disagreement as to the matters of the amendment of the Constitution once it is patriated and the delegation of powers to provincial legislatures.

Conscious of the problems involved in this very matter, the Liberal Party of Manitoba set up a committee of people, who I believe are particularly able because of their past service to the problem, because of their knowledge of the affair, to provide useful recommendations, not only to our own Party but also to this House. I might say that some members of that committee were two previous Premiers of this province; my colleague, the Honourable the Member for Lakeside, and the Honourable Mr. Garson, who not only served in this House, but served as well as Minister of Justice of Canada. In addition to this there were a number of others, lawyers as well as laymen, who had particular interests in this field.

On looking over the whole recommendations that had come out from the Federal Government, which had at least had tentative agreement at the meeting in Charlottetown, it was our

(MR. MOLGAT cont'd). . . . .feeling that the proposals should have further investigation; that while in the main they would probably be acceptable, that there were at least some very important points that should be considered further. It is obvious, as well, that this feeling was echoed by many others across Canada. A number of constitutional experts were at the same time saying that the proposals should bear further scrutiny. It seemed to us that first of all the amendment possibilities, or the amendment proposals, once the constitution was patriated, should be looked at once again. While it is obvious, from the standpoint of the protection of provincial rights, once the Constitution is back in our hands that there must be some clear-cut and fairly rigid regulations insofar as to further amendments so that everyone who is concerned would be protected, it is also clear that if you make the amendments too rigid, that should an error ever be made then quite obviously it is that much more difficult to correct the error in the future.

Going on from there to the concept of the delegation of powers, is probably where we felt the main investigation should be continued. We are believers in the federal system with a strong central government. We do not believe that you can have a national government without national governing, and this means that in a number of specific fields the delegation of powers recommended by the draft report would appear to us to go beyond the wise course of Canada at this time. Referring to Section 94 (a), it sets out quite clearly that there are four categories in which the Legislatures have the right to proceed. There is unfortunately the over-all section, Section 3, that proceeds to say that "notwithstanding anything in this or any other Act, the Legislature of a province may make laws in the province in relation to any matter coming within the legislative jurisdiction of the Parliament of Canada." In other words, it seems to us that the residual powers here have moved from the hands of the Federal Government into the hands of the Provincial Governments. It is true that this is stated as being strictly insofar as that particular problem is concerned, but can we consider the development of a great nation if we are going to have individual provinces make laws and regulations in their own areas in the type of fields that Section 3 could allow? Because it would appear to us that, eliminating the four specifics, this would still leave the fields, as for example, tariffs, treaties, postal and military services, money, banking, legal tender, and these matters, in the hands of the provinces insofar as their own jurisdiction is concerned. We cannot see how this could help but lead to a "Balkanization" of our country, rather than a sound development of a federated state. We believe strongly in provincial rights in those particular fields that are ours, but we believe as well that in the fields of national interest then there must be a national decision, and while it may not suit us perfectly in all instances, that in the interests of the whole this should be followed. It would appear to us then that Section 94 (a) of the draft Act should be rewritten, making it very clear that the regulation of trade and commerce, the postal service, the militia, military and naval service and defence, currency and coinage, banking, incorporation of banks and the issue of paper money, weights and measures, bills of exchange and promissory notes, legal tender, bankruptcy and insolvency, immigration, naturalization and aliens, the criminal law, treaty making and extra-territorial powers, inter-provincial and international tariffs, indirect taxation, should remain clearly in the federal field. It seems to us that permitting provinces, even if it is only within their own boundaries, to have the residual powers in these particular fields, would not be in the interests, in the long run, of Canada.

It is on this basis, Madam Speaker -- and possibly I should read the report which this committee presented - that is, not the whole of the report, but the concluding paragraph, which I think indicates clearly our point of view. This is what it says:

"No matter what legitimate pressures inexorably changing times may exert upon the structures of Canadian self-government, so long as Canada is to remain a national, albeit confederated entity, the effective means of governing nationally must be neither plucked nor insinuated out of Parliament's hands. To assert that the draft Act does, or would remove those effective means, would require not only greater constitutional knowledge and craft than is possessed by most Canadians, but perhaps also clairvoyance. On the other hand there are many knowledgeable Canadians who cannot confidently assert that there is no danger to national government in the draft Act provisions. No matter then how the principle is to be secured or clarified in the draft Act, it remains without doubt that effective national government demands the effective means of governing nationally. This is a principle of inescapable concern to all Canadian irrespective of provincial domicile.

(MR. MOLGAT cont'd). . . . .

"The second matter of concern arises from the first. Surely nobody can pretend that the draft Act is perfect or that it so approaches perfection that it need not be further scrutinized. Some may say that the unanimity of agreement with the draft Act was achieved at a magic moment in Canadian History which can never again be duplicated. If this draft statute be enacted with flaws which closer, more knowledgeable scrutiny could have detected, the moment of its public manifestation will yet be regarded as more tragic than magic. It is therefore recommended that the great debate concerning this draft Act be not limited to the various Legislative Chambers but that it be subjected to the closest and most detailed examination by the nation's most pre-eminent constitutional experts. Therefore, let the anonymous drafters and the proponents of this draft Act meet and debate in open forum with experts whose life's work is Canadian constitutional law. The formula cannot be effectively tested in the courts before it is enacted, but it can be searchingly tested by the penetrating intellects of professional and pre-eminent constitutional experts. The overwhelming importance of the subject, the awesome significance to Canada of devising a precisely tooted instrument of constitutional development demand a grand inquest of the best minds of the nation in open forum upon this proposed Constitution of Canada Amendment Act before its enactment. Objectivity is of paramount concern. It would be useless to conduct such inquiries and debates if the experts were hired to brief themselves on behalf of sectional, regional or provincial interests alone." The recommendation went on to propose possibly a Dominion-Provincial Conference or Constitutional Commission on this particular subject.

Madam Speaker, these were the recommendations of our committee. I pointed out that it was made up of people who had background in this field, who had knowledge in the area. We are not insistent that this be the only way in which the matter should be scrutinized. We are not insistent that it be a matter of a Commission. We are prepared to support the resolution presented to us by the government. We believe that this matter is of too great importance, insofar as the future of our country, to leave it as it stands now. It does require further scrutiny. While there may be some dangers in saying, "let us have a second look," I think it is wiser for the future of our country to take the second look now, to accept the risk that the debate may last somewhat longer, to accept the risk that we may not have the patriation as early as we might have hoped, but in the expectation that when the final decision is taken that it will be one that will last and under which our country can grow as a national state made up of strong provinces but under a strong national government.

MR. SCHREYER: Madam Speaker, I move, seconded by the Honourable Member for St. John's, that the debate be adjourned.

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

MR. McLEAN: . . . . . be good enough to call the adjourned debate in the name of the Honourable the Minister of Education, as it appears at the top of Page 5 in the Orders.

MADAM SPEAKER: The adjourned debate on the proposed motion of the Honourable the Minister of Education. The Honourable the Member for Lakeside.

MR. DOUGLAS L. CAMPBELL (Lakeside): Madam Speaker, I would ask if it would be allowed for this order to stand.

MADAM SPEAKER: Agreed?

. . . . . Continued on next page.

MR. McLEAN: Madam Speaker, would you call the Committee of Supply?

Madam Speaker, I move, seconded by the Honourable the Minister of Mines and Natural Resources, that Madam Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MADAM SPEAKER presented the motion and after a voice vote declared the motion carried and the House resolved itself into Committee of Supply with the Honourable Member for Winnipeg Centre in the Chair.

#### COMMITTEE OF SUPPLY

MR. CHAIRMAN: The motion before the committee, moved by the Honourable Leader of the New Democratic Party that Appropriation Number 1, Resolution Number 57, Item (a) (1) Salaries - that the Minister's salary be reduced to \$1.00. Are you ready for the question? All in favour?

MR. GRAY: Mr. Chairman, I am supporting the motion, of course; I can't help it. But at the same time, my worry is in case the motion is carried, then we will have to put the Minister on welfare, which will cost the state much more money. And of course, the good that will come out of it is that they will have a taste of means test. That's as far as the general introduction of the Minister of Mines and Natural Resources. I am sorry for the first time in a long time, I wasn't feeling well and I wasn't here at the meeting when he has introduced his estimates. But I do want to say this, that I was very very pleased with the exhibition he has given us in Room 200 the other night, explaining many of his projects. It was quite entertaining and educational. I wasn't here, at the criticism that he may have received -- I hope he did -- in connection with the introduction of the estimates. I shall, I will myself, too, contribute something under each item on the estimates. But for now, I'd like to call the Minister's attention to a problem which worries me - not me personally, but my clientele, so to speak, my electors and my people whom I have served for over a half a century -- and I cannot find any item in the estimates where I could raise this.

So with your kind permission, Mr. Chairman, I would like to call his attention to one problem. He has told us, told the House, about the wonderful plans and work he is preparing to do and has done, to develop the parks, recreation grounds, in order to attract tourists - which is a very very fine thing, because tourism now is such a high interest to all countries. There are many many countries now, in the last few years, that have their revenue and have their existence out of tourists. Never in the life - and I happen to know something about it - in the history of mankind, where so many people now are travelling from one place to the other, from one country to the other, from one hotel to the other, and spending considerable money and some of the countries are existing on the revenue they get out of the tourist trade. But at the same time, I have always worried not so much about who is going to visit Egypt or Jordan or other countries, but what I was a little bit worried about is whether the Manitobans are being looked after by the powers that be; because after all, charity begins at home. And while we are advertising to bring in tourists from all over, we don't do very much to attract tourists to visit Manitoba or to provide facilities for them to enjoy, under their own financial circumstance, a couple of days a year or a few weeks a year, in the Province of Manitoba while the sun is shining. And everybody knows the time of summers are being curtailed from year to year, judging by the date and by the weather of today.

I have no objection at all of the suggested improvement and all the tourist places in this province, and the recreations and the hotels, and everything else they are providing for them. But I think that one place that has been very very badly neglected and is being patronized by most of the people that cannot go to the classic places which the government is spending so much money to improve, and I'm not objecting to it. I have in mind the old old Winnipeg Beach where the poor class of people cannot afford to go anywhere else. In the olden days they used to occupy trains, several trains a day to go down for a couple of hours to Winnipeg Beach. Now they go by car or bus. On a Saturday or on a Sunday you'll find about 10,000 people down there; you'll find many cars. They cannot afford, they haven't got the transportation means to go somewhere else, to all the other lakes, to Kenora or the other places. But this here has been neglected. I don't know the inside of it and I don't know the outside of it. I understand that there is a certain private enterprise in which the government believes very much in it, enabled them to purchase a certain part of the Winnipeg Beach where the amusements are and the parking space and business and so on. Apparently they have the right and the privilege to buy it and run it for years as a free enterprise, in which the government believes very much in. I understand there are signs

(MR. GRAY cont'd) . . . . put up there now that it will not be open, it's definitely closed. And if it is true that it is going to be closed, I don't think that the low wage earner, the masses, will have a place where to go and take the children, either for a swim or a little recreation on a Saturday, on a Sunday, or a weekday or on a holiday.

My question is whether this has anything to do with the Province? If it hasn't, why not? If it has, what action are they going to take or planning to take, and what facilities are they ready to provide for those who are going down there every Sunday or Saturday or holiday and cannot go anywhere else? I think this is the only thing that I could not find, an item here, and I would like the Minister to tell us what the government intends to do, after building a beautiful road to Winnipeg Beach, where you could go down there in 45 minutes or less? And what are the people going to do now? Are they going to expropriate? Are they going to buy out? Are they going to tell the owners, "Go ahead and do it." How will they help them? If they're spending money on the other summer resorts, why not consider this here?

Mr. Chairman, that's about all I have to say at this moment. And I do hope that the Minister will give this question very very serious consideration and explain today if possible; if not, make some plans for the next month or two enabling the people to enjoy a little bit of a holiday during the summer months.

MR. CHAIRMAN: . . . motion of the Leader of the New Democratic Party.

MR. MOLGAT: Mr. Chairman, is the Minister going to reply. There have been a number of matters brought up. Is he not going to answer the specific questions that have been raised?

MR. LYON: Mr. Chairman, I certainly am going to reply. I thought it might be in the interests of expediting the procedure of the committee if we could get the various general comments from all sides of the House and then I could attempt to answer them because I'm sure there will be some repetition among the various comments that are made; and then after that, if there are any further questions I would attempt to answer those questions but I thought that would be - if that met with the convenience of members opposite it might be a means of expediting the debate. All of these items that we are talking about right now of course, we can discuss under the various items as they come on the estimates.

MR. GRAY: The question that I raised doesn't come under any item. I don't see it. So you might as well explain now and be done with it. --(Interjection) -- Pardon?

MR. GUTTORMSON: Mr. Chairman, I would like to hear the Minister reply. We've been looking forward to his reply with considerable interest.

MR. CHAIRMAN: The motion before the committee is the motion of . . .

MR. GUTTORMSON: Mr. Chairman, we are waiting for the Minister to reply.

MR. LYON: When we get back to the general item of the salary. Be happy to -- looking forward to . . .

MR. M. N. HRYHORCZUK, Q.C. (Ethelbert Plains): Mr. Chairman, it's hardly fair for - on the Minister not for the Minister but on the Minister for us to vote on a motion of that nature without hearing anything from the Minister in self defense. Surely he's got something to say about that motion. I think the motion is a serious one. It may not have been seriously moved, but it's a serious motion and we should have a reply to some of the questions that have been posed in regard to that motion.

MR. LYON: Mr. Chairman, is my honourable friend seriously suggesting that anything that I will say will have any bearing on how he will vote on that motion?

MR. HRYHORCZUK: Mr. Chairman, seriously . . . -- (Interjection) --

MR. LYON: I can have an open pocket if it passes.

MR. CHAIRMAN: All those in favour of the motion of the New Democratic Party say aye.

MR. MOLGAT: Mr. Chairman, this motion is really a serious motion. It's a motion of want of confidence in the Minister and that is the way these motions are moved. There is no other means for a member who wishes to express non-confidence in a minister from doing so and surely the Minister is going to make some reply. If he's not before the voting then we can only assume that the Minister agrees with the criticism that has been made. If that's his position well that's fine, we know where we stand; but he appears to take it all as a joking matter. It isn't. This is simply a want of confidence in the Minister.

MR. CHAIRMAN put the question and after a voice vote declared the motion lost. Now we are back to resolution No. 57, item 1 (a) (1).

MR. LYON: Mr. Chairman, if there are no other general comments that the members wish to make I will make some response to some of the comments that have been made thus far.

(MR. LYON cont'd) . . . .

First of all dealing with the remarks, I guess almost a week ago now, of the Honourable the Member for Ethelbert Plains, there are one or two comments I would like to make about those, because he started in to compare revenues and expenditures of the department for 1958-59 and 1965-66. That is he attempted to make a comparison of the last set of expenditures and revenues, approved by the House under the government of which he was a member and the estimates for the current year which are presently before us. I say attempted, because the venture into the public accounts appears to have run aground somewhere in my honourable friend's computation. For one thing it seems to me that my honourable friend appears to have chosen some of his figures from 1958-59 and others apparently were chosen from 1957-58. For another he has, and I'm sure no doubt inadvertently, compared total mineral revenues of 1958-59 to the oil revenues for 1965-66 - and I'll stand subject to correction - this is the interpretation that I got from his remarks. I should point out to him as well that the Parks Branch which was established last year was formerly included in the revenue and expenditure accounts of the Forestry Branch and that would result in some juxtaposition in the figures which he used when making his comparisons.

I won't attempt, Mr. Chairman, to correct all of the figures laid before us last Wednesday by the Member for Ethelbert Plains but instead will try to clear the records, in an attempt to clear the records will present a correct comparison or what we believe to be a correct comparison of the '58-59 revenues to the '65-66 revenues. I limit my attention to four branches in which he was interested, that is the Mines Branch, the Game Branch which is now the Wildlife Branch, the Fisheries Branch and the Forestry Branch.

In 1958-59 the Mines Branch revenues totalled \$1,240,000.00. In 1965-66 as you can see from the estimates we anticipate revenues totalling in the area of \$3.8 million. There is not a decrease as I believe was suggested by my honourable friend but rather an increase of some \$2,560,000.00. During the intervening period oil revenues declined largely because exploration lease rentals were not renewed by oil companies whose development strategy led them to invest in rentals in areas which they chose to believe would have a better potential for development. This of course bears no relation to government policy but for the information of my honourable friend it did result in a decrease of about \$370,000 a year in revenues from oil. With a decline in production our royalties and related taxes went down by an additional \$200,000.00. This was much more than balanced however by increases in revenues from metallic minerals. This year the oil royalty revenue is again rising and I'm sure he will be as happy to note that fact as are we.

Concerning the Fisheries Branch, the revenues for '58-59 were \$253,000.00. These have increased to approximately \$402,000 by reason of an upward change in angling licences from \$1.00 to \$2.25. In any case as my honourable friend has noted revenues from Fisheries are up. As for the Wildlife Branch formerly the Game Branch, the '58-59 revenues were \$416,000. These have not decreased as my honourable friend stated, but have in fact increased and we anticipate approximately \$442,000 in the current fiscal year.

Concerning Forestry I would first note that Forestry in '58-59 included the Parks Branch as I mentioned before. This rapidly growing function of the department has now been established within a separate branch. The revenues in '58-59 from the Forestry Branch were \$1,000,000. Revenues anticipated for '65-66 from Forestry are \$875,000 and from Parks \$480,000 for a total of \$1,355,000.00. This is an increase as my honourable friend will see of approximately \$355,000.00. So in total, Mr. Chairman, the revenues for '58-59 from the four branches were approximately \$2,912,000; the comparative figure for 1965-66 is \$5,999,000, for an increase of about \$3,087,000 or something in excess of 100 percent.

On the expenditure side the figures for '58-59 were as follows: Mines Branch \$294,000; Forestry Branch including Parks \$1,272,000; Wildlife Branch \$415,000; Fisheries Branch \$283,000, for a total of \$2,264,000.00. For the current year the expenditure estimates are Forestry Branch \$1,495,000; Wildlife Branch \$414,000; Fisheries Branch \$378,000; Mines Branch \$544,000.00. The expenditures then for these four branches total \$2,831,000.00. But my honourable friend will now remember that we have a Field Services Branch and some of the expenditures formerly made under the four branches under discussion are now made under the Field Services Branch of the department as shown in the estimate book. Field Services we estimate will cost this year about \$1,469,000; thus the total expenditure for the five branches are \$4,300,000.00. This represents an increase of slightly less than 100 percent. In short then, Mr. Chairman, what the record actually shows is that revenues from the four branches

(MR. LYON cont'd) . . . in which my honourable friend is interested have increased by more than 100 percent while expenditures have increased by something just under 100 percent.

Lastly, the Member for Ethelbert Plains compared some costs for administration in the '58-59 period which again were somewhat puzzling when we heard them. May I set the records straight on this as well. In '58-59 we were keeping the accounting branch costs separate from administration. They are now part of it. As a result the true comparison would be as follows: Administration '58-59 \$125, 000; Administration '65-66 \$342, 000 less an ARDA recovery of \$21, 000 for a net total of \$321, 000.00. We have added since 1958-59 two other divisions to this appropriation, namely Conservation Education which I explained in the House last year and the Economics and Planning Division whose costs two years ago would have been found in the forestry appropriation. We believe that we now have grouped these functions properly and as a result the administration costs grouped together now add to \$342, 000 for the year just beginning. The actual administration costs within these totals have risen by less than 50 percent against a total departmental revenue rise of over 100 percent. I trust that that clarifies some of the figures that were used by the Member for Ethelbert Plains.

Now having reference to the comments of the Leader of the New Democratic Party. He commented on the oil industry in general and described in some detail the operations of Imperial Oil Limited in Canada and without going into too much detail, I should merely point out, I know he wasn't intending to say that Imperial Oil were a big operator in Manitoba - they aren't, but I should point out that really Imperial Oil is a smaller operator in Manitoba. California Standard is the main operator as he is aware in Manitoba. So I won't make any further comment on those figures except to say that they really have very little application to the oil industry in this province. I might say that in Manitoba the figures that would be of interest to him and would give him some indication of what I mean, Imperial Oil have drilled 107 wells, in Saskatchewan they have drilled 1258 wells, in Alberta they've drilled 1794 wells, so he can get some idea of the order of magnitude of production by that company.

MR. PAULLEY: . . . Mr. Chairman, to my honourable friend the Minister I was only using Imperial Oil as illustrating the industry and it was the only report that I had before me.

MR. LYON: Mr. Chairman, the burden of his remarks were that it appeared to him from the statement that I made at the outset of these estimates that Manitoba was involved in a "give-away" program of some sort vis-a-vis the mineral resources of the province and I should like first of all to deny that charge and to deny that statement and say that really we don't look upon this as a give-away program. We look upon it rather as a reasonable sound and practical incentive program, which on the one hand will, we hopefully think, attract exploration both in the hard rock and in the oil fields in Manitoba and at the same time will continue to assure the people of Manitoba a proper return from the exploitation of these natural resources in the province. But I do want to assure him that we are not going to give away our oil resources because he did seem to stress this question of oil. In fact the oil incentives designed to promote exploration of the deeper horizons, and I think he will understand what we're getting at, that our present production comes from a relatively shallow belt, and we are trying to get the drilling companies to go deeper because we think that these extra probes will be productive. In order to get them to go deeper -- drilling costs of course go up at a fantastic rate the deeper you go -- in order to provide some incentives for this type of deeper drilling, we felt that after examining the programs of other provinces where oil is present that we could reasonably and practically offer the kinds of incentives that I have recommended to the House and which will be appearing in due course as part of the regulations of the department.

These oil incentives respecting the deeper horizons are in one sense more restrictive than at present when drilling is to be only to the Mississippian formation. The maximum area held by one company under reservations or permits will be reduced from the 1, 6000, 000 acres actually held under reservation during the previous administration to a maximum of 115, 200 acres. The Crown leases selection in the new permit areas will remain at 50 percent on the checkerboard pattern. In Alberta, companies may acquire 100 percent of the Crown rights in the whole southeast quarter of the province and the royalty paid is on a sliding scale depending on production per well, running from five percent to 16 2/3 percent. I believe my honourable friend made some reference to the fact that Alberta did not engage in this kind of incentive program so I pause to point out to him that the type of incentive that is actually given in southern Alberta is much more extensive than that which we are recommending in Manitoba.

The Province of Saskatchewan recently announced a royalty-free period to December 31, 1970, for all production from any deeper horizon. That's a long period. We propose in Manitoba

(MR. LYON cont'd) ... to limit this royalty-free period to the wells in the square miles containing the discovery well. Saskatchewan royalty rate is on a sliding scale similar to the Alberta scale, whereas the Crown royalty rate paid in Manitoba is at a flat rate of 12 1/2 percent. If Manitoba accepted the same sliding scale as they have in the other provinces the royalty rate would be five percent. So I think these figures are indicative to my honourable friend, at least I hope they are indicative to him, that we are not embarked on a loose and profligate give-away program. We think that these are reasonable incentives and these have been carefully considered after a review of programs in other provinces, after a careful review of the types of formations that we have in Manitoba and the kind of exploration, and we hope, development, that will take place in these deeper formations and I know that he would join with us in hoping that they will be responsible for encouraging this kind of extra drilling to these deeper horizons.

I may say as well that these incentives are aimed more directly at smaller independent oil companies than they are say at larger companies like Imperial or California Standard which is the main operator in Manitoba.

That is the only comment I can make upon the remarks thus far of the Honourable Leader of the New Democratic Party.

Now, with respect to the mineral incentives that have been announced, that is in the hard rock field, as opposed to the oil field, I would make these additional remarks to him. This is not, again I repeat, Mr. Chairman, this is not a rat race that we are engaged in in Manitoba and I do want to effectively bury that concept. If this were so we wouldn't have increased the royalty tax rates as we did at the last session of the Legislature. I think my honourable friend will recall the rates of taxation were increased -- I think he supported the bill that increased those rates at the last Legislature -- and the effect of that increase of course is that any company making a profit of \$5 million or more per year now pays a larger tax than ever before in the Province of Manitoba. The amendment to The Mining Royalty and Tax Act, which is before the House at the present time, that the royalty tax payable by new mines will be one-half of the standard tax, does not increase the reduction authorized at the last session but it confirms that all companies will receive this reduction for a full three years. As I explained to members of the House yesterday, the wording of the bill as we brought it in at the last session left this exemption on a discretionary basis and this was really not satisfactory, and on reflection we have decided, I think wisely, to change it and make it an absolute exemption, applicable to all new mines in the first three-year period.

Some of the other provincial jurisdictions, and I point this out to him, Mr. Chairman, some of the other provincial jurisdictions and Canada, exempt new mines from all taxation for a three-year period. So it could hardly be said that Manitoba, providing for a 50 percent exemption, is engaged in the kind of give-away program or that kind of heavier incentive that is used in other provinces in Canada. The reduction in royalty tax applicable to new mines is a recognition of the fact that exceedingly large capital expenditures are required for several years prior to the commencement of production and permits the company to recover a part of this investment before it's required to pay the entire tax. Now I'm not telling him anything new when I tell him that. That's the rationale surrounding any of these incentives that are offered to large mining companies.

I really can't understand his description of our project "Pioneer" as a concession to large mining companies or as a give-away program. Really it isn't that at all. This program, I think he will come to appreciate, will supply on a regional basis, the basic scientific information necessary to select the most favourable areas for exploration and this information will be available to all who wish to make use of it. It's not something that's being done for one company. It's information that when completed and published is available to all mining companies in Canada or in the United States or in the world, who wish to take advantage of this much more intensive geological work that will be done under this new project "Pioneer". The proposed program is a logical, and we think, a necessary extension of geological mapping and it's recognized as such, I think, by all leading geologists across the country. Few, if any, mining companies could or would undertake a program of this nature and I suggest to him that this is particularly the kind of program in which government can be involved. While it doesn't offend any of his philosophical or political precepts, I'm sure it's one that would find favour with the Official Opposition, and one that would find favour as well with the members on this side, because we feel that this is a true area where government participation can take place without infringing on the general concept of the free enterprise system that all of us adhere to, or

(MR. LYON cont'd) . . . . at least most of us adhere to in this House. So I repeat again that the industry's objective is to select specific targets and to prove or disprove that they have an economic value and this program that we have announced will help in the selection of these targets and we think it will help much more than any other information that we have ever been able to turn out as an aid to mineral exploration.

It appears that perhaps my honourable friend didn't catch the full import of the nature and intent of project "Pioneer". I hope that the foregoing does serve to give him more information in this regard.

I would further explain, Mr. Chairman, that the \$300,000 expenditure will be phased over a three-year period and we estimate that roughly half of this amount, roughly \$150,000, will be spent in the form of grants to the University of Manitoba - and I emphasize that, grants to our own University here - because they are collaborating so closely with the government on this exploration project. These grants will thus be of benefit not only to the government and the mining industry indirectly, but also to the University we hope in the development of scientific knowledge and skilled scientific personnel. Geological exploration and mapping is a very vital activity in this field and it's carried out every year by the Mines Branch and this project is an extension to the normal work that will be done or that is done every year by the department.

In short then, Mr. Chairman, far from embarking on a give-away program, the government has already taken the necessary steps to increase its share of the benefits that accrue from development of mineral resources, but at the same time we feel that these added measures will give encouragement to attract new and further exploration if the riches which lie locked within the bowels of our earth are to be discovered and utilized for the ultimate benefit of all of the citizens of Manitoba.

I might say that different approaches are being used in different provinces and I make no comment upon the programs that are currently being put into play in Saskatchewan or other provinces in Canada. In Saskatchewan, my honourable friend may not be aware of this, but the Province of Saskatchewan is now rebating to industry one-half of the cost of the initial expense of exploring and developing specific properties. One news report that we have seen states that Saskatchewan is considering spending \$7 million on this assistance program in the next fiscal year. All I can say is that, without making comment on this, this is not that type of a program. We feel that this is a different program. We feel that this is a program however that will meet the kind of need that we feel exists in Manitoba and will be productive, we hope as productive, if not more productive than other incentive programs that are being put forward by other provincial administrations.

Now he also asked one small question concerning Sogepet and their work in the Cape Tatnam area and the work carried out by Sogepet from September '62 to the end of '64 has been confined to surface investigation and a narrow magnetic survey. Surface work has included geological reconnaissance and paleontological investigation - (I can't pronounce it any more than I'm sure my honourable friend can understand it) -- (Interjection) -- Paleontology, yes. Interpretive studies based on this surface work and the study of ice conditions in the area that have also been undertaken. In 1964 a refraction seismic survey, which I am sure he will be closely familiar with, was carried out to aid in structural and stratigraphic interpretation. -- (Interjection) -- If my honourable friend wants to meet me when the House adjourns I'll get hold of somebody who can decipher all of these words for both of us, or for perhaps everybody in the House. But that in essence is the latest report we have on the activities of Sogepet in that area. -- (Interjection) -- I think it might be summarized in saying "They've done good so far".

MR. PAULLEY: But they haven't got oil.

MR. LYON: The Member from Inkster -- does my honourable friend wish to talk?

MR. PAULLEY: Yes. Mr. Chairman, if the Minister will, or is in a position to, one other question. I did ask of my honourable friend that he hasn't referred to, that I'm aware of, unless it was done at the time of taking the vote on his salaries -- and I express my congratulations to him that he is now back on full salary. I apologize, Mr. Chairman, to the committee for not being present for the vote seeing as I introduced it, but anyway I'm glad that my honourable friend as my colleague from Inkster said, does not now have to go on relief.

But the question I wish to ask now of my honourable friend - in my remarks the other day I asked him whether or not he could make some comments or make a report as to the situation regarding the loan that we made to San Antonio, because as I understand, one of the objectives of the Pioneer project is for the discovery of gold or at least setting up the basis for possible further discoveries of gold in the belt referred to in the remarks of my honourable friend. I don't

(MR. PAULLEY cont'd). . know whether he omitted this or had it, and if he hasn't got the information at hand, Mr. Chairman, possibly over the supper hour - I doubt if he estimates will be passed completely by 5:30 he might be able to get that information.

MR. LYON: Mr. Chairman, before leaving that point, I was going to comment and I'll try to find the information, additional information on San Antonio. We can deal with that under the item or now, or I could find it perhaps over the -- (Interjection) -- yes.

I was going to make brief comment about the statement made by the Honourable Member for Inkster, relative to that great summer resort of Winnipeg Beach. We're all aware of the fact, of course, that that great resort is in the constituency of Gimli. The Honourable Minister of Education has more than a passing interest in that area. While I'm unable to give him any definitive comment as to what action, if any, the government is contemplating in that area, I can say to him that we have had a series of meetings with representatives of the council, particularly the mayor. I was out there myself last summer taking a look at the area and we are aware of the problem that is being occasioned by the suggestion that the present recreation facilities -- that is the merry-go-round and the other activities that are carried on along the boardwalk - there's some suggestion that the operators of this enterprise are considering closing it. This of course would have some detrimental effect, of course, upon the activities of that beach area.

I must say to my honourable friend that one of the problems that faces government in contemplating what areas you are going to have provincial parks or provincial recreation areas in, is the size and the adaptability or suitability of the particular area for the kind of development that the department over the years has participated in. And when we come to a provincial park concept, of course, that is a large tract of land on the area or on the size of Falcon Beach, on the size of the proposed or the new Birds Hill Park, on the size of the Asessippi Park which is going to be approximately 5,000 acres, on the size of the Sprucewood Park which is going to be roughly, approximately 50,000 acres, and so on. So this is a, when we speak of a provincial park you must think of necessity in terms of a large acreage, a tremendously large acreage; usually we're thinking in terms of thousands of acres, sometimes in smaller parks, hundreds of acres.

The area that is left, that we are looking at, at Winnipeg Beach is of course much smaller and we have not had as yet a kind of a proposal that we can really get our teeth into - and I'm not here laying blame at anyone's door at all - but I'm merely saying that discussions are taking place in the hope that a proposal can be produced in which the province might find itself able to participate. Now I'm not making, certainly not making any commitment. I can't make any commitment because we have no money voted in the estimates this year for that item at all. But we are looking at the area with the idea of determining whether or not there is a suitable tract of land available for any kind of provincial development. Beyond that, I really can't say any more except to tell my honourable friend that we are concerned with the problem there and if there has been thus far, co-operation and understanding between the municipality, that is the Town of Winnipeg Beach, the province and the other people who have private interests involved in the area, that I'm sure that some solution can be worked out which will insure that Winnipeg Beach remains the kind of attraction that it is today, to so many thousands of visitors -- not only from outside of the province but visitors from Winnipeg and visitors from all parts of Manitoba. But I'm sorry, I can't be more definitive at this time and tell him that any plan has been approved, or any money has been voted. That is not the case and I would be wrong if I told him so.

MR. GRAY: . . . . permit a question, Mr. Chairman? What's the situation in Grand Beach? Is it not the same as at Winnipeg Beach? You are now spending considerable sums of money on the Grand Beach for the purposes of the public, recreation. Couldn't this same thing apply to the Winnipeg Beach?

MR. LYON: Mr. Chairman, that's precisely the problem that we face when we try to consider - Grand Beach, of course, we started off with this idea. Grand Beach is a provincial park, approximately -- what was it? 200-odd acres were bought from the CNR and these were then joined with other additional Crown acreage in the area, contiguous Crown acreage, to form a very large tract of land which is now designated as the Grand Beach Provincial Park.

This type of development really is not feasible on that scale at Winnipeg Beach unless one contemplates the purchase by the government of a huge tract of land involving many cottages and other buildings that are presently on the site. In effect what we have at Winnipeg Beach is a town and a town that is also a beach resort, and the problems that they face appear to be

(MR. LYON cont'd) . . . . largely of a municipal nature and largely of the kind of development that can be produced there so that they will have a good continuing municipal beach. But we are trying to explore any ways at all whereby this beach area can be certainly maintained and certainly, if possible, enhanced. But I stress the fact that this is a municipal - at the present time, it's a municipal beach and there are many many, of course, municipal beaches in Manitoba. We get countless requests throughout the year for help here and help there on municipal beaches, but the hard fact of life is, of course, that we do not have money. We do not have a provincial vote for support of municipal parks or beaches. And that is one of the hard facts of life that we run up against. Now, some day, perhaps, we may find that we have enough money to support a policy of financial aid to municipal parks or beaches, but that day, unfortunately, has not arrived yet. I don't know when it will arrive. And so we're, everybody involved is caught within the inhibitions of what provincial policy and provincial money permits at the present time.

MR. GRAY: . . . . Minister permit one more question and I'm through. Could anything be done for the next summer season? In other words, the way you have explained, it's under consideration - under consideration could be a year or two. Summer is approaching. Thousands of people depend on this particular spot. Can anything be done, or negotiations carried on, or money raised before the summer, the short summer season?

MR. LYON: I'm sorry, Mr. Chairman, but I really can't add to what I've already said in this regard, except to say that we are in touch with the council and with other interests involved who are desirous of continuing Winnipeg Beach as a resort area, but I can't really go beyond that.

Mr. Chairman, the Member for Radisson mentioned the question of San Antonio and I do have in front of me a recent, very recent press clipping which comes from the Northern Miner of April 15, 1965, and I'm sure that he will appreciate that while the government has a loan, or this Legislature has authorized a loan to the company, we're in the position not of giving an annual report to the Legislature or to the people on the progress of the company but rather we must depend on the reports that are given to us pursuant to the agreement and we must depend as well upon statements that are made by management concerning the operation of San Antonio Mines.

I think the best I can do at this stage is to read this most recent report wherein management are quoted and to tell him first of all that it looks to be a very encouraging report. And may I just add to that my own comment that the situation at San Antonio this year is much more encouraging than it was at this time last year. They still have a serious manpower problem - that is in turnover of miners and so on - but the general mineral situation is better than it has been for some time. So I read this report, as I say, taken from the Northern Miner which is the most recent piece of paper that I have on San Antonio. "San Antonio Gold Mines continues to turn in its best mine performance for years." - This is the story. "The first three months of the year saw production of 7,857 ounces of gold chalked up, a smart gain over 6,803 ounces produced in the comparable period of last year. But more important, the Northern Miner gathers from company officials the mine continues to respond to sustain new developments. For the first three months a total of 827 feet of new ore was developed, averaging .30 ounces over 6.0 feet. This compares with new ore totalling 345 feet, averaging .26 ounces over 6.6 feet in the same period a year ago and reflects the energetic attack management has been pursuing on new exploration and development work. This campaign has just come up with two lively new ore belts - one is on the tenth level where a new drive is just nicely underway, opening up the upward extension of the '61 system which responded extremely well to development on the 11th and 12th, and the first look is really pleasing." And then a series of statistics are given with respect to the findings of the tests that they ran. Now, I'll pass this over to my honourable friend or pass it around the House -- I'm not going to read these statistics all into the record.

The narrative continues on, "Some check wall samples gave good values as well. One one foot sample ran 2.24 ounces and another 1.79 ounces. A check sample of the back on one section ran 6.2 ounces over 1.5 feet, all of which confirms that something is opening up that is going to contain a lot of gold and provide a valuable sweetener section for operations ahead. A second new ore belt lies on the 21st level where a current drill has returned a 9.0 foot section running .31 ounces. This intersection lies 150 feet to the south of an old drill hole which gave a 1.2 foot section running 2.91 ounces, followed by 0.12 ounces over 3.2 feet. This lies in an area some 2,000 feet east of Number 4 Win and following a third hole yet to be drilled, an old heading will be turned into the area. The area incidentally is barely touched and provides some really lively exploration chances. The Northern Miner gathers from officials that

(MR. LYON cont'd) . . . . should the labour situation stay at least at recent levels" - and this is probably the important part of the narrative - "Should the labour situation stay at at least recent levels, the veteraned assessed gold producer should enjoy a profitable year. But management emphasizes that labour is the bugbear and completely unpredictable. They point out that the mine is in the best shape for years and there is good developed ore reserve position being built up involving a fairly healthy ore grade and general performance should continue to improve so long as an adequate work force can be maintained at the mine. The final touches are being put on the installation of the new hoist for the Number 5 Win and deepening will get underway for several new levels at an early date. The lower levels for this period are being closed down and new development will be concentrated on the second, third, tenth, eleventh and twenty-first levels. Now I mention again, Mr. Chairman, that this is a news story that appears in the Northern Miner, it's available to everybody, but I read it as the most recent information that has come to our attention, and this confirms in large measure the general reports that we have within the department from the Mine.

It will be recalled of course by honourable members that two years ago the whole problem of the Bissett community and its one major enterprise was the subject of a long and a very interesting debate in the House and at that time the legislation was passed which permitted the loan of money by the government to San Antonio Mines for exploration and development work that was badly needed. Since that time, or more precisely since May 1, 1963 to December 31, 1964, the company has spent approximately \$370,000 on exploration and development work, and with the work estimated to have been done up to the end of March 1965, that total will rise to approximately \$430,000 in exploration and development work. On our part, the government has now lent the company \$240,000 and the House will recall that our loan was required to be used in exploration and development work. In other words the company has faithfully discharged its work commitments in this connection. I don't think it's fitting as I said before that any public announcement about San Antonio should supplant in any way the report that management made from time to time to their shareholders and therefore the observations about the mine's progress that I make are in fairly general terms, but as I say, they are reassuring. During 1964 the mine was able to step up its milling rate somewhat and more importantly its gold recovery increased with the result that the severe loss of '63 was sharply reduced in 1964. The 1964 figures that we had at the time this paper was prepared are not audited - I imagine that some of those figures however, are now contained in this news story and therefore I'm not attempting to give any figures to the House that haven't been given to the shareholders of the company.

At any rate, from what has appeared, from what I have read to you from the Northern Miner and from what our own information is, we can say that the company is encouraged enough by its own results to be looking forward to further new and somewhat expansive development, and this of course is most encouraging. The mine is currently planning for a deepening of its workings to open up mine levels down to the 5,100 foot level, a new hoist is being put in as was mentioned in that story to service the deeper mine work, so that a more balanced operation can be maintained than has been possible with the previous inadequate hoist. Drilling in the deep level of the mine has encouraged the company to expect continuation of ore at least at these new levels and with further encouraging results on upper levels it seems safe to assume that the outlook for the mine is improving. Now that's my statement - that the outlook for the mine is improving. I don't propose to make any forecast of that improvement because I think it would be wrong to try to prognosticate on the future of the mine, but quite frankly, I do feel that the outlook is good. We have to be careful - any comments we make in the House - whether on this side of the House or on the other side of the House, because these people are on the market, their stock is on the market and we don't want anything that is said here to reflect adversely one way or favourably on that stock. So I prefer to leave the detailed information to the company for release in the regular way that has been customary.

As far as ore reserves are concerned I'm informed that the mine is in substantially the same ore reserve position as it was two years ago in '63 when the loan was first authorized. The mine has been operating during '64 at an average milling rate of about 365,000 ton. With a somewhat enlarged crew of skilled miners this rate could be improved with increased benefit of course to the company. The company has built six new homes which were made in Steinbach and the hope is that this increase in housing will enable them to attract and hold more married men than has been the case in the past. The company secured a Central Housing and Mortgage Company loan for these homes in the amount of about \$43,000 and they have certainly made a welcome residential addition to the town of Bissett.

(MR. LYON cont'd) . . . . .

Now beyond that, Mr. Chairman, I don't think I will go except to say that the purpose of that legislation in 1963 - the prime purpose so far as members of this House were concerned was to sustain the community of Bissett, to sustain the one industry in that community so that it could continue to exist. And without patting ourselves -- and I say that collectively, to all members of the House -- without patting ourselves too hard on the back, I think we can say after two years that that aim has certainly been achieved over the last two year period. I think we can take some real credit in the fact that this rather new and unique approach to the sustenance of an important community in our province has proved, at least thus far, to have been a wise decision and I think that the people in that community would all register a hearty vote of thanks to all members of the Legislature for agreeing to the bill as we did in 1963. I know many of us had some questions in our minds as to whether this approach should be used, and I for one like to say that after the experience of the past two years I think it was a very wise move and the proof of the pudding is in the eating. The town is there, it's functioning; the mine is still operating and this is what we aim for and our aim thus far has been achieved and I think we are all quite happy that that is the case.

MR. PAULLEY: Mr. Chairman, I join with the sentiments expressed by the Minister that this House, unitedly, in this endeavour did assist in the preservation of the town of Bissett.

Now I haven't looked at the agreement recently and the Honourable the Minister I think mentioned a figure of some \$240,000 that has been advanced for exploration purposes from the Treasury. I wonder if the Minister is in a position to be able to give us any information as to whether the commitments made have now been fulfilled in total and whether or not there is any - I just forget, Mr. Chairman, the amount of the appropriation at that particular time, I even forget - as I say, I haven't read the agreement for some considerable period of time - the time element in the agreement. I wonder if the Minister is in a position to tell me whether we fulfilled the total obligation which we made at that time and how do we stand if that hasn't been done.

Now I want to say to the Honourable Minister, Mr. Chairman, I do not seek by these questions any information that might be prejudicial against the operation at Bissett.

MR. LYON: Mr. Chairman, the full amount of the authorized loan has now been taken up by the company. There is one other point that I did overlook and I should mention, because it's another interesting and I think rather unique matter that is now currently under discussion. Our department, the Department of Mines has been working with the Department of Education and the Vocational Training people of the Federal Government in the development of what we hope will be a new project. If this plan which has it's own complexities can be worked out, it will involve the training and perhaps academic upgrading and specific job training for skilled miners using the San Antonio working as a base for this operation and training plan. Now I stress again this is only at the discussion state but I mention it to honourable members because I think it is a unique approach to on-the-job-training for a class of persons, namely miners, who to the best of my knowledge receive none of this kind of training in any other place in Canada. We are hopeful that this project, or the project that is being discussed at the present time will represent some sort of a breakthrough in this kind of training and employment area. It would not only help the San Antonio Mine area directly but it would I think have wider benefits and might be capable of extension to other mines in Manitoba and indeed throughout Canada.

The people in the Department of Education and the Federal Government Vocational Training people have been in Bissett to meet with various mining people for on the spot discussion and the Mine Management I might add are interested in co-operating as much as they can of course within their limited financial ability to provide accommodation and underground training facilities for direct on-the-job-training if this project can be gotten underway. The whole plan can be regarded I would think, Mr. Chairman, very much as a pilot project which if it works, and it's still only on the drawing board, could prove to be most interesting and would certainly push our training arrangements into yet another useful field.

MR. HRYHORCZUK: Mr. Chairman, the Minister threw some doubt on the figures I gave when I first spoke on this particular department and it so happens that I have the estimates for both the revenues and the expenditures for the years in question and I can't find any errors in my figures. If anything, I was very kind to the Minister. I mentioned then, that the cost of Item No. 1, the administration, was up 400 percent - actually it was up 450 percent. I haven't had a chance to follow his comments very closely. I can find them probably in the Hansard and

(MR. HRYHORCZUK cont'd) . . . maybe find out where we differ, but the figures I gave are the figures, and they are correct and they are accurate.

As far as the costs of the branches, the expenditures in the branches I gave him the benefit of the doubt. The field operations I didn't include them. The field operations are now lumped separately in the item by themselves and they amount to a million four. Not being able to distribute them amongst the branches I left that million four out. So if anything, I was very kind to the Minister in the figures I gave, and they are accurate, and if I have an opportunity to follow his line of reasoning after I have read the Hansard I might be able to find out just what he was trying to do. But I want to repeat again that the figures I gave are substantiated by the estimates which I have before me right at the moment.

MR. LYON: Mr. Chairman, if there are any other questions about San Antonio I would attempt to answer them now. If not, we could deal with it again when we come to Mines.

MR. FROESE: Mr. Chairman, the reports that the government receives from this mine, what do they consist of? What information do they give to you?

MR. LYON: I'm sorry I didn't catch my honourable friend's question.

MR. FROESE: I was asking about the information on the reports that are being submitted to you as the government by San Antonio Mines. What do they consist of? What actual reporting do they do?

MR. LYON: The actual reports, I wouldn't try to designate all of them, but they are exploration and development reports that are sent to us on a regular basis pursuant to the terms of the agreement that was entered into. I don't have the agreement in front of me to list them seriatim for my honourable friend but I can show him the agreement and he can see for himself the reports that we get on a regular basis.

MR. CHAIRMAN: a (1) -- passed.

MR. GUTORMSON: Mr. Chairman, is the Minister going to explain his actions in breaking the law to expropriate the land at Birds Hill?

MR. LYON: Of course, Mr. Chairman, there is no law broken so there's really nothing to explain but I'll be happy to try to edify my honourable friend on the law, if he's anxious to get into a discussion about the law.

The burden of the comments that have been made about Birds Hill Park seem to fall into roughly three categories. No. 1, the comment certainly made by the Member for Lakeside is that the park is too large. No. 2, the burden of the comment from a number of honourable members opposite would be that the province is paying too little for the land that is being expropriated. And then the third point, and really the least important of the three is that the province is engaged in what the Honourable Member from St. George calls an illegal expropriation. I only propose to deal with -- I'll deal with the last point first, because of course this is the argument that we went through in 1961, I guess it was, in connection with the Greater Winnipeg Floodway expropriation. I would have to tell him unfortunately that legal advisers of the government don't agree with his outlook now any more than they did in 1961, and that the procedures that have been followed are the regular procedures that they tell us are open under the present Expropriation Act. There was an amendment - in other words what I am saying is this, that under the old act, as it existed up until the amendment of last year, there was really no time limit within which notices had to be given under Section 13, I believe it is, if my honourable friend wants to look at it -- there's no time limit specified, and I think he will find if he has any familiarity with the expropriation statutes in other provinces, that whereas a number of those have now been amended like the Manitoba one, this was a common section that existed in other sections of expropriation acts across the country.

That situation was changed, however, last year, Mr. Chairman, when an amendment was made to The Expropriation Act, prescribing that the government or the expropriating authority had to give its notice of compensation within one year of the filing of the plan or the taking of the land, and as I say, prior to that there was no limitation. Now these notices have to be given within one year. And that's about all I can say. It's a relatively simple matter. If my honourable friend or anybody that he speaks for feels that this isn't the case, why of course there's a place where this can be tested and that's in the courts. If anybody suggests that this was an illegal expropriation, I suggest that they can test it in the courts because that's the only arena wherein you can finally decide these matters. But the best legal advice that is available to the government is that the expropriations with respect to the Red River Floodway, where the expropriation plan was filed first and the notices were sent out later, where the same procedure was utilized with respect to the Birds Hill property, this is entirely within the meaning of the Act and within

(MR. LYON cont'd) . . . . the sections of the Act that are applicable, and there's really nothing more than I can say about it.

Now dealing with what I consider to be the more important points that have been raised in the course of this debate, I would like to deal first of all with the proposal or the suggestion made by the Member for Lakeside, that the park is too large.

MR. CAMPBELL: Mr. Chairman, that is not the suggestion I made.

MR. LYON: Well, I would say that the burden of the suggestion was that the park was too large. He said that we could have taken a smaller area and added to it gradually as time goes on, and he's saying in effect that taking the acreage that we have taken we are building a park that is now too large. And as I carry on, I think he'll see the -- at least that there's a different viewpoint on this matter. He will be entitled to have his viewpoint as long as he wishes, but certainly we don't hold to that view in the department nor do any of the people upon whom we rely for advice hold to any view that is in any way akin to that suggestion.

Mr. Chairman, since the end of World War II there has been a tremendous increase in the public demand for recreation. This is an increase that I think is apparent to every member of this House, not only by virtue of the parks and the recreation areas and the other recreational spots that the province has undertaken to build over the past -- for over that period of 20 years -- but it's a fact that is, I think, axiomatic to anyone who looks to our highways on the weekends and sees the tremendous volume of people coming from the cities, from the farms, from the small villages, wherever, and all, particularly on weekends, trying to seek out a place where they can go with their families for a day perhaps, or perhaps two days or a weekend or a longer time, for recreation. And I want all members to feel and to be aware of the fact that this is a tremendous demand that is now facing not only this jurisdiction, not only us in Manitoba, but every governmental jurisdiction in our country and even more so the jurisdictions that we have familiarity with in the United States.

I'll ask you to remember back to what the situation was, say in the urban area, prior to the Second World War. Prior to that war, the City of Winnipeg was more or less surrounded by lands that offered a great variety of outdoor recreation, and even within the developed suburbs of the city large blocks of vacant land were a common occurrence. I can testify to that fact because I own a house on a street which was a number of years ago -- not too many years ago; about twenty years ago, a marsh; and one of the older residents of my area in Fort Garry tells me from time to time of how he used to go and shoot ducks in the area where my house sits today. And this area was built up starting around 1950. Prior to that it had been bushland, and so members can see what I mean when I say that there has been a tremendous change in the whole topography of our urban area, a tremendous change in the land utilization surrounding Greater Winnipeg.

Well, in those earlier years, that's just before the war, large blocks of vacant land certainly were a common occurrence, and these vacant lands often were covered by bush and they were a natural playground for youngsters of that era and enabled them to get acquainted with the workings of nature. In other words, you didn't have to go very far from your own back door in pre-war Winnipeg, pre-Second World War Winnipeg, in order to find some place where children could play in the bush or they could be into a little copse of trees where they would see birds and other examples of wildlife that certainly surrounded the area. If family groups or organized youth groups in those days wished to picnic or even camp in a semi-wilderness condition, they only had to travel to the end of a street car line, only 20 years ago -- to the end of a street car line in most instances, and they would be out either in prairie or in bushland where they could go without any trouble.

Well, Mr. Chairman, these same conditions and these opportunities are totally non-existent particularly in the urban area today. The population growth in the city has eaten up vacant lands which once existed within the developed areas, and massive new housing developments, with which most of us are familiar, together with very large industrial expansion, have pushed the whole metropolitan frontiers even further outward, eliminating in the process much of the greenbelt that once surrounded this city. In the last 20 years, the population of Metropolitan Winnipeg has, roughly speaking, jumped to 500,000 people, and it's necessary to consider the growth dynamics which are involved in this kind of an expansion.

In the first place, there is an intensive concentration in the core of the city for highly specialized commercial purposes. Resulting land values squeeze out the former residential developments -- and you can see it over the last five years, what's been taking place on Broadway, taking place on Kennedy Street, and so on -- which are then relocated in suburban areas

(MR. LYON cont'd) . . . surrounding the industrial core. The growth of the suburban areas forces back even further the market gardens which normally surround and support a large city and this process of concentric growth has expanded to the point where the market garden areas now abut farm land at considerable distances from the heat of the city. Nothing that I have said thus far is probably news to anybody in this House but I suggest that in terms of planning for future recreation areas you have to establish what the existing facts are concerning development over the last 20 or 25 years. These are the hard facts. We don't stop to think of them too often but this is actually what has taken place. Well, what has all this done, Mr. Chairman, to recreational opportunities that we used to know as children, particularly in the urban area? The intensification of land uses on the periphery of this outer circle of development, together with as pending fences and "No Trespassing" signs -- to say nothing of the traffic hazard -- has almost completely eliminated the readily available opportunities for the natural outdoor recreation that we once knew.

What has happened to park plans in the Winnipeg region in the 20 year interval? Well, there's been little change in the area of either Assiniboine or Kildonan Park during this period of great population expansion. Aside from these two major parks there has been some modest growth in other small neighbourhood parks, but the growth is far below what are generally regarded, right across North America, as acceptable standards for the population of an area the size of the metropolitan region. I may say that we note with a great deal of pleasure the work that is being done by the Metropolitan Corporation of Greater Winnipeg with respect to construction of parks over 15 acres, in the urban area, and these developments are certainly helping within the urban area itself.

Well that's the physical change that has taken place. What about the changing economic conditions since the war? Well I would suggest, Mr. Chairman, that the changing economic conditions have had one of the greatest impacts on the recreational habits of our people of all of the factors that are involved, because we are, whether we like it or not and I think we should like it - we're embarked on what others have called, and I think it's an apt term, an era of leisure, an era of leisure. The working day has contracted and has been shrunk over the past 25 years -- (Interjection) -- in Manitoba as well: in Manitoba - except in the Legislature - the working day has contracted, with the result that our people have today, not an unlimited amount of time for leisure, but certainly a much greater period for leisure than was ever the case before in the history probably of this continent. The general improvement in income together with shorter working hours has put great additional pressures and brought tremendous new demands for outdoor recreational facilities. Along with these economic factors there is the higher proportion of the population in the younger age groups and it is in these groups where we find the greatest users of recreational facilities.

Well, to summarize very briefly, Mr. Chairman, the following physical changes have taken place. First of all, there has been a loss of neighbourhood vacant space. Look around your own neighbourhood if you live in the City of Winnipeg, or Brandon, Flin Flon, any of the other urban centres in Manitoba - just look around your own neighbourhood and try to find that skating rink that used to be beside the house so many years on the vacant lot. It isn't there anymore. There's a house in its place or there's an apartment block. And the basic question is, where are the kids going to play? We have the development, of course, of community recreation centres which are fulfilling part of the need. But what is fulfilling the need for the children who, say in my time - and that's in a fairly recent number of years ago - were able to walk probably 300 yards from where we lived and be, not in open bush country, but be in bush country which was relatively untouched by anybody in the town where I came from. That just doesn't exist anymore. It doesn't exist in our major urban areas at all. The expansion of the city - the second point that I mentioned - the expansion of the city itself, pushing outward. The lack of development of new large park areas in step with population growth - and I think that we have to admit that fact, without condemning anybody - but there has been no major change or no major new developments in large park areas within the metropolitan area.

And fourthly, the impact of what I call this new era of leisure with its increased demands for recreational outlets. The combination, Mr. Chairman, of all of these factors makes it abundantly clear, I think abundantly clear to certainly everybody on the government side, and I would hope to everybody in the Legislature that some action of major proportion had to be taken to meet not only today's pressing requirements but to adequately provide for the future. And by the future I don't mean just five years from now; I mean 15, 25 and 50 years from now. Because if we wait 5 or 10 or 15 years from now the land that could be used for park development just

April 22nd, 1965

1753

(MR. LYON cont'd) . . . . . won't be there. That's the experience that we have learned over the past 20 years. If you don't take the land and develop it, when you do want to take it and develop it, it won't be there. There'll be an apartment block on it; there'll be an industrial plant on it; there'll be a house on it; there'll be something on it, but it won't be free open land as it was once before. Well I'll carry on with this after suitable resuscitation over the dinner hour.

MR. CHAIRMAN: It is now 5:30 and I will leave the Chair until 8 o'clock.