

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Monday, April 1, 1968

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions
 Reading and Receiving Petitions
 Presenting Reports by Standing and Special Committees
 Notices of Motion
 Introduction of Bills

HON. C. H. WITNEY (Minister of Health) (Flin Flon) introduced Bill No. 53, The Human Tissue Act; and Bill No. 9, an Act to amend The Public Health Act.

HON. STERLING R. LYON, Q. C. (Attorney-General) (Fort Garry) introduced Bill No. 23, an Act to amend The Provincial Police Act; and Bill No. 33, an Act to amend The Mortgage Act.

MR. ROBERT STEEN (St. Matthews) introduced Bill No. 16, an Act to validate By-laws Nos. 3/68, 5/68, and 6/68 of The Town of Swan River.

MR. T. P. HILLHOUSE, Q. C. (Selkirk) introduced Bill No. 47, an Act to amend The Land Surveyors Act.

MR. SAUL M. CHERNIACK, Q. C. (St. John's): Mr. Speaker, I beg to move, seconded by the Honourable Member for Wellington, that leave be given to introduce a Bill No. 56, an Act to amend The Election Act, and that the same be now received and read a first time.

MR. SPEAKER: Before proceeding with this presentation moved by the Honourable Member for St. John's and seconded by the Honourable Member for Wellington, I would like to inform the Honourable Member for St. John's that by requesting to introduce a bill to amend The Election Act requires, I feel, some comment from the Chair. In my opinion, he is anticipating a matter already appointed for consideration in the Speech from the Throne which reads as follows: "Certain amendments to The Election Act, which have already received the attention of the Legislative Assembly will now be brought before you for further consideration." Legislative House Rule No. 31 provides that no member shall anticipate a matter appointed for consideration. All of which is substantiated by Beauchesne, Fourth Edition, Citation 131, and May's, Sixteenth Edition, Page 403. In regard to the latter and to avoid any misunderstanding, I should like to quote the said rule in part: "Motions and Rule of Anticipation. A motion must not anticipate a matter already appointed for consideration by the House whether it be a bill or an adjourned debate upon a motion." In the light of this information it leaves me no alternative but to rule the motion out of order.

MR. RUSSELL PAULLEY (Leader of N. D. P.) (Radisson): Mr. Speaker, I appreciate very much the fact that one cannot debate your ruling and the only alternative would be for us to challenge your ruling which, if I may, Your Honour, be allowed a moment or two, I do not intend to do that but I would like to take this opportunity, with your permission and that of the House, to indicate a very precarious position that members may be in in introducing...

MR. SPEAKER: I acknowledge the opinion of the Honourable the Leader of the New Democratic Party and I wonder if he has leave of the House to proceed with that short explanation he anticipates. Does the honourable member have leave? (Agreed).

MR. PAULLEY: I want to point out, Mr. Speaker, that I'm sure that what you have said to us in respect of May's and Beauchesne is in essence correct, but I want to also suggest that there is some obligation on the government to introduce measures which are contained within the Speech from the Throne at the earliest possible moment. There have been a number of occasions, and I'm sure you're aware of them, Mr. Speaker, where items have been mentioned in the Throne Speech and never proceeded with, and whether this was done deliberately or not, it does give to the government an opportunity to preclude members, individual members of the House, an opportunity to have matters presented for debate in the House. Now, by your ruling, Sir, we're in a bit of a peculiar position. You have ruled the introduction of the resolution by my colleague of a bill on the Election Act out of order without the contents being known. They may not be in conflict with the bill presented by the government, insofar as the Election Act is concerned, which may be before us some time from now, but the very fact that you now rule the motion of my honourable friend, I suggest, precludes him from re-introducing it again this Session if it contains clauses which would not be in conflict with the bills to be presented by the government or parts thereof. So I just raise this,

(MR. PAULLEY cont'd.): Mr. Speaker. I appreciate the consideration that you have given to the matter. I'm sure on the other hand, however, that you, as the presiding officer of this Assembly, must realize that there is an obligation on government as well to introduce measures or subjects contained in the Throne Speech, because if memory serves me correctly the Election Act is of some two hundred and some odd pages insofar as volume is concerned and, by the mere indication in the Throne Speech that there will be changes in the Election Act, can adversely affect the rights of private members. So, without challenging your ruling this time, Mr. Speaker, I want to use this opportunity to indicate how government can, through the media of the Throne Speech, preclude the rights of members in opposition - or indeed in government as well as individuals - from raising matters that they're primarily concerned with.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Mr. Speaker, on the point of order, if I may. It seems to me that the rule does place you in a most difficult position because it is impossible for you to know exactly what legislation the government intends to bring in, and that strict application of this rule could preclude members of the House from virtually bringing in any type of resolution. On this very subject, for example, we have on the Order Paper now a resolution regarding the right to vote at age 18, and a strict interpretation of the rule would presumably put this particular motion out of order because the Throne Speech mentions the question of the Election Act. Similarly, some motions by my colleague the Honourable Member for Assiniboia constituency were ruled out of order some time ago dealing with the Sales Tax, because the Throne Speech mentions that we'll be studying estimates.

Now, would it not be a better practice here in the House that, where there is a possibility of conflict, that the Ministers opposite be asked to declare whether or not there is a conflict coming up? In other words; something has been said in the Throne Speech; if a resolution or a bill comes from this side of the House the Minister would then get up and say, "This is anticipation." Then this would be a clear-cut statement by government that they will be acting on that point, that particular item. Because to leave it in this very broad way could end up really by preventing any discussion or any new matters being brought up from this side of the House, and certainly this is nothing that you can correct, Mr. Speaker, because you have no means of knowing it unless you go to the government and ask them what legislation they plan. Would it not be better, then, to accept as a practice here in the House that resolutions come forward and that the anticipation basis be determined by a Minister getting up in his seat and stating specifically, "This is anticipation because we are going to move on this particular motion and it was mentioned in the Throne Speech"? Then members on this side would be assured that the government will move on that aspect, because certainly when we discuss the Election Act I don't know what my honourable friend intends to bring in but he could be talking about election expenses, he could be talking about virtually any item - the deposit required for candidates, candidates requirements - any item which may not be at all intended by the government, and yet he won't be in a position to do so at this stage.

An honourable member can argue, well he can wait and see what the government legislation is going to be and then decide to move, but I have seen government legislation come in fairly late in the sessions at times and this could mean that it won't . . . So I wonder, Mr. Speaker, if there wouldn't be a solution by having the Ministers announce, when there is a matter coming up from our side of the House, announce that this is anticipation. Then we will know that they will act on that specific item. If they don't act upon it during that Session they will certainly hear from this side of the House.

MR. PAULLEY: Mr. Speaker, if I may say just one more word. Another suggestion as to procedure that might be followed - rather than the ruling out of the motion, as indeed you have today, Sir, that a request for it to be held until such time as the government introduces their legislation to see if there is conflict. In that event it would not preclude the likes of my honourable friend from re-introducing the measure.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, on the same point of order that the Honourable the Leader of the New Democratic Party spoke on last, I think it would be very proper that this be held in abeyance until such time as the government legislation was introduced, so that we as members would know, and have assurance, that the bill that the

(MR. FROESE cont'd.) Honourable Member for St. John's intends to introduce would not be conflicting with what the government proposes to do. I think this would be the best way of handling it.

MR. SPEAKER: I thank the honourable gentlemen for their opinion. I am ever mindful of the fact that I am the servant of the House and I have dealt with this matter in accordance with your rules. You approved of the rules and I think it's rather difficult for me to retract what I have already said. In view of what I have done in this instance, I don't think it would assist our parliamentary procedure any more by me taking the suggestion put forward and holding it in abeyance. If this should happen with every ruling from the Chair I could be in difficulties and I don't think it's the intention of the House to place me in that position. So I must insist that my ruling, as given, stands as of today. If, as pointed out by the Honourable Leader of the Opposition and the Leader of the New Democratic Party, the rule should be changed to accommodate the situation that has developed today, they of course can attend to it rather than me.

Orders of the Day.

MR. PAULLEY: Mr. Speaker, on Orders of the Day, may I ask the House Leader when the Government intends to bring in legislation dealing with changes in The Election Act, as announced in the Speech from the Throne.

MR. LYON: I would imagine notice of it will be appearing on the Order Paper very shortly, Mr. Speaker.

MR. MOLGAT: Mr. Speaker . . .

MR. SPEAKER: The same subject?

MR. MOLGAT: No, another subject.

MR. SPEAKER: Well, I wonder if I may interrupt the House and introduce, as customary, our guests for today. On my -- right, I should like to introduce 18 students of Grade 9 standing, from the La Broquerie School. These students are under the direction of Mr. Collet. This school is located in the constituency of the Honourable Member for LaVerendrye. We also have 22 students of Grade 11 standing, from the Windsor Park School. These students are under the direction of Mr. Green. This school is located in the constituency of the Honourable the Leader of the New Democratic Party. On behalf of all the honourable members of the Legislative Assembly I welcome you all here today.

The Honourable the Leader of the Opposition. Thank you.

MR. MOLGAT: Mr. Speaker, I'd like to address a question to the Honourable the Minister of Municipal Affairs. What are the cost-sharing arrangements for the report on the Churchill site that was prepared or worked on by CMHC?

HON. THELMA FORBES (Minister of Urban Development and Municipal Affairs)(Cyprus) I think I'll have to take it as notice because I would not like to give you an improper answer here. I will give you the answer tomorrow.

HON. OBIE BAIZLEY (Minister of Labour)(Osborne): Mr. Speaker, before the Orders of the Day I would like to table a Return to an Order of the House No. 4 dated March 11, 1968, on motion of the Honourable Member for Kildonan.

HON. STEWART E. McLEAN, Q.C. (Provincial Secretary) (Dauphin): Mr. Speaker, before the Orders of the Day I should like to table a Return to an Order of the House No. 24, on the motion of the Honourable the Member for Kildonan, made March 21, 1968.

MR. SIDNEY GREEN(Inkster): Mr. Speaker, just before the Orders of the Day, I would like to put a question to the Honourable the Minister of Municipal Affairs. Is the government prepared to state at this time what its policy is going to be with regard to partial amalgamation of municipalities in Greater Winnipeg? By that I mean amalgamation of two municipalities.

MRS. FORBES: Do I understand now - is the government prepared to state their stand on this?

MR. GREEN: Yes, Mr. Speaker.

MRS. FORBES: No.

MR. RUSSELL DOERN (Elmwood): Mr. Speaker, I want to ask the Minister of Education whether it is true that he has been immortalized by having a school named after him; also where it is and what the name of the school is.

HON. GEORGE JOHNSON (Minister of Education) (Gimli): Mr. Speaker, I don't know if it's notoriety or not, but all I can say is I had the pleasure of opening a school in Gimli and for some reason the Board at the time had a contest and my name emerged.

MR. DOERN: Mr. Speaker, a supplementary question. Were you yourself the judge?

MR. PAULLEY: Mr. Speaker, I would like to direct a question to the Honourable the Minister of Industry and Commerce. When might I expect a Return for the Order for Return that I submitted dealing with the matter of informational services, personnel and expenses?

HON. SIDNEY SPIVAK, Q. C. (Minister of Industry & Commerce)(River Heights): Mr. Speaker - soon.

MR. PAULLEY: May I ask my honourable friend how soon does he interpret the word "soon" as being?

MR. SPIVAK: I can't give that answer, but soon.

MR. FROESE: Mr. Speaker, I would like to address a question to the Honourable the Minister of Education. Could he tell us, are exemptions being made under the Public Schools Act or the Attendance Act, requiring students to remain in school until the age of 16? Are there exemptions being made under this?

MR. JOHNSON: Mr. Speaker, I'm not just sure what the honourable member is referring to. Not to my knowledge. However, if there is anything he has, or any specific case he could advise me on, I could look into it, but the compulsory school leaving age is 16 years, and school attendance officers throughout the province are required to enforce this. I would have to check into any exceptional cases. Certainly they haven't come to my attention.

MR. FROESE: Mr. Speaker, one supplementary question. Is it the intention of the government to lower the compulsory school leaving age?

MR. JOHNSON: No, Mr. Speaker.

MR. MOLGAT: Mr. Speaker, before the Orders of the Day I would like to address a question to the Honourable the Provincial Treasurer. On the 14th of March an Order of the House was accepted with regard to the returns on the 5% sales tax on a monthly basis and I think there was a brief discussion then between the Minister and myself indicating that this information would not be difficult to obtain. I wonder when he might expect to have the reply.

HON. GURNEY EVANS (Provincial Treasurer) (Fort Rouge): At this moment, Mr. Speaker, I'm not able to tell my honourable friend. I'll enquire and be prepared to answer tomorrow.

ORDERS OF THE DAY

MR. SPEAKER: The adjourned debate on the proposed resolution of the Honourable Member for St. John's, and the proposed motion of the Honourable Member for Rhineland in amendment thereto. The Honourable the Minister of Industry and Commerce.

MR. SPIVAK: Mr. Speaker, it is not my intention to speak at this time, except to say that the government will be prepared to accept the amendment subject to the limitations of the Manitoba Development Fund Act, and particularly Section 32.

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

MR. SPEAKER: Orders for Return.

MR. CHERNIAK: Mr. Speaker, I beg to move, seconded by the Honourable Member for Elmwood, that an Order of the House do issue for a Return showing:

- (a) The amount of insurance coverage on each building acquired or held by the Liquor Control Commission.
- (b) The annual premium.
- (c) To whom the premium is paid.
- (d) Whether the insurance was tendered, quoted or otherwise contracted for.
- (e) On whose responsibility was the insuring company or agent selected?

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

MR. JOHN P. TANCHAK (Emerson): Mr. Speaker, in the absence of the Honourable Member for Portage la Prairie, I move, seconded by the Honourable Member of LaVerendrye, that an Order of the House do issue for a Return showing:

With respect to trips made by Manitoba Cabinet Ministers outside of the Province in the year 1967, supplying the following:

1. Name of the Minister.
2. Destination and intermediate points visited.
3. Length of absence from Manitoba in each case.
4. Names of persons paid by Manitoba Government who accompanied Minister, and their salaries.

(MR. TANCHAK cont'd.)

5. a) the cost of travel in each case to the province;
- b) the cost of living expenses in each case to the province;
- c) other costs to the province.
6. Purpose of trip.
7. Date of trip.

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

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I beg to move, seconded by the Honourable Member for Carillon, that an Order of the House do issue for a Return showing:

Whether the sum of \$1,107,814.62, shown in Public Accounts as having been paid to Dalton Camp and Associates for the period of March 31, 1960 to March 31, 1967, represented the total amount so paid, and whether or not such payment represented the total amount paid either directly or indirectly through other agencies.

MR. SPEAKER: Moved by the Honourable Member for Assiniboia, seconded by the Honourable Member for Carillon ... Are you ready for the question? -- (Interjection) -- Beg Pardon?

MR. EVANS: ... Mr. Speaker, if you wish to, that we might dispense with the reading.

MR. SPEAKER: Thank you.

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

MR. SPEAKER: Adjourned debates on second readings. The proposed motion of the Honourable the Provincial Secretary, Bill No. 10. The Honourable Member for Logan.

MR. PAULLEY: ... Mr. Speaker, may we have this matter stand?

MR. SPEAKER: Does the honourable member have leave? The proposed motion of the Honourable Minister of Agriculture, Bill No. 27.

MR. LYON: Mr. Speaker, on a point of order, I was just going to enquire, or ask you, Sir, if you could enquire if anyone else wished to speak on the Securities Act so that we might move this bill along in order that we can get it into Law Amendments Committee.

MR. PAULLEY: I have no objection to anybody else speaking on the bill, but it won't be moving it along because it's been agreed that it would stand in the name of my colleague. But certainly if anybody else wishes to speak we have no objection.

MR. SPEAKER: Ready to proceed? Bill No. 27. The Honourable the Minister of Agriculture.

HON. HARRY J. ENNS (Minister of Agriculture and Conservation) (Rockwood-Iberville): Yes Mr. Speaker, if I may, I would just make some comments on this bill. I would try to answer most of the questions that the different members raised in discussing this bill. I think perhaps some of them, particularly those raised by the Member from Rhineland, or Ethelbert Plains, referring to the further detailed information as to the disbursement of the Fund itself, etc., and the validity of the programs, these might well be dealt in some detail at the committee stage and I certainly would be prepared to do so at that time, recognizing that the financial statement that you received was really just that - a very bare minimum statement.

I would like to therefore maybe concentrate most of my remarks to those comments that were made by the Honourable Member from LaVerendrye, the Honourable Member from Brokenhead, and of course the Honourable Member from Lakeside. And I have to say at the outset, Mr. Speaker, that I really have little or no quarrel with most of what these honourable gentlemen had to say with respect to the proposed amendment to this bill. Certainly there is no suggestion implied by my moving this bill calling for the suspension of the horned tax, no implication that the damage caused by horned cattle, you know, isn't there, or has -- you know, the damage caused by horned cattle today is somewhat less than it was tomorrow. The incidence of it has dropped, but I'm quite prepared to agree with him that if you take the time - and I'm glad to note that he and others did take the time - to check what the economic loss and waste is involved in this respect, it's there all right.

I have regard to, bearing in mind the statement made by the Honourable Member for Lakeside, that while this isn't perhaps the most significant piece of agricultural legislation, and he referred to the fact that I have some hesitation about introducing it, I want to assure him that the hesitation was not in the form that I was introducing it in or calling for the suspension, it was merely that I recognized - or at least have been told - that the debates on Horned Tax Fund and such other unique things to agriculture as Bangs Disease, have

(MR. ENNS cont'd.) sometimes livened up the debates on agriculture, much to the entertainment of the urban members present and what have you. So that was the only facetious hesitation that I had in this respect.

The Member from Lakeside - and I'm happy to hear that he had the privilege of introducing this bill to this House many years ago - in suggesting that it perhaps wasn't a major piece of agricultural legislation, I would have to, I think, just draw to the attention of the House that if we accept that over the many years, the waste and the economic loss in terms of injury to beef carcasses undoubtedly could be measured in the millions of dollars, and that the legislation so introduced by my honourable colleague the Member from Lakeside in 1939, did in effect reduce by half this damage insofar as that the incidence of horned cattle marketed has dropped down by half, so that in a very real way, whether this is an insignificant or a minor piece of legislation or not, the contribution made is substantial, one that I suggest can and has been measured in millions of dollars. And it must, I'm sure, be of some satisfaction to the Honourable Member from Lakeside for having made this contribution to agriculture.

Now, I don't really intend to speak at any great length on this matter. I know that all the members opposite are fully familiar with the position that the livestock interests have taken on this matter, and they have certainly been exposed to the same suggestions or recommendations that we on this side of the House have been, but I didn't get the one piece of information by any of those who spoke that really prevents me from accepting the amendment as made by the Honourable Member from Lakeside, and that is that - and I would ask the members to attempt to agree with me on this part - that one of the main themes of the representations that have been made in the past number of years on this matter by the livestock people, is that the present legislation, or the present tax as it's now being used, is not doing the job. There has not been general unanimity as to the fact that it should be dropped or that it should be increased or that its application should be basically altered. As of late there has been, I would suggest, a majority feeling that it should be dropped. The suggestion is that through better livestock management, through better animal husbandry, the incidence of horned cattle marketed is being kept in check. I think the realization - and the Honourable Member for Lakeside drew our attention to this very, very thoroughly - that the economic loss is there to those who ship horned cattle whether the tax is on or not. It's a double penalty right now with the horned tax, and I suppose that this realization is growing among the livestock producers and very often our livestock people are telling us that this in itself is a reasonable deterrent.

The suggestion has been made that these funds haven't been used as fully as they should be in terms of applying research genetically to the doing away with horns on all breeds. I would have to say that this knowledge is present. We have the knowledge to breed out horns. It doesn't particularly -- we don't have to have a Holstein with horns or a Hereford with horns, for that matter -- fact, but again it's a question of the breed people, you know, making this determination themselves. It may be fine and dandy for the honourable members to suggest that, you know, we impose this on them, but essentially our purebred breed people and associations are responsible organizations. They are aware of the criticism that's being sometimes thrown their way with respect to some of the show ring factors that they from time to time cling to so tenaciously.

A further reason that sometimes can be suggested for the lower incidence of horned cattle marketed now, is that it is a fact that you have fewer owners owning more cattle, and the practices, the good husbandry practices are further advanced in this particular way.

The point that I was coming to is that with respect to the suggestion made by I believe both the Honourable Member from Brokenhead and the Honourable Member from Lakeside, that this matter be laid over for further study by the Agricultural Committee, I certainly have no objection to it except for this; that the major element that the committee should or would want to study would not be accomplished by so doing, and that is the question that we've all been asking ourselves; is it a deterrent at this time in its present form and how it's being practised? And I'm attempting to respond to what the cattlemen and the livestock people are telling us, and it is for this reason that I present it to you in this form - not for repealing the legislation at this point. I envisaged the distinct possibility that it may have to be altered or re-introduced at a later time, but I would then think that a committee - and it could well be, or should well be, the Agricultural Committee - would like to hear

(MR. ENNS cont'd.) representations and suggestions as to how we can effectively alter the regulations or the application of a penalty with respect to the marketing of horned cattle.

The point that I'm trying to make is that at the moment we are being told that the present application of the tax is not having any appreciable difference and has not had any appreciable difference over the past eight or 10 years. Now it did have an appreciable difference when it was introduced. At that time we had an incidence of some 20-21% of our cattle that were marketed were horned. This did in effect come down fairly steadily until the present level of 10 or 11% was reached, but it has remained static at that level for the last eight to 10 years. Now the cattle people are saying that there are other reasons what is keeping the incidence at this level other than that 10% or that \$2.00 horn tax fund, and I'm suggesting that I see no valid reason for simply carrying on a penalty or a tax that can be criticized from time to time as to its just application, particularly the use of the funds so collected, the disbursement of the money. It's always a question open to criticism. We have what we believe is a good group of men that are administering this fund, but you can't get away from the fact that it is the people that are contributing the \$2.00 that are paying for these specific projects, and I submit to the House that we can only purchase so many de-horners; we can only purchase, or do only so much advertising with respect to de-horning cattle and what have you, that other areas of application for some of these moneys will have to be found, and of course are being found, whether they're in different fields of research.

One of the fields of research was for such as the one that was mentioned through some question from the Member, I believe the distinguished Leader of the Opposition - the West Lake project. The West Lake project is just one of these areas which this Board, who has this whole jurisdiction of choosing these projects, thought was a suitable place to expend some research dollars in. It appeared that, particularly in the last couple of winters, ranchers in the West Lake district had a particularly high incidence of calving losses, and whether this was nutrition or whether it was a new virus that wasn't familiar to the provincial veterinarians, it caused us enough concern to have a special study carried out within that area involving some of these cattlemen in trying to pinpoint the reasons for the abnormal cattle losses in that specific area. This was sponsored and this was paid for by this fund. It can be argued: "Why this fund and why not the general appropriations of the Department of Agriculture?" but I'm saying these are some of the areas of dispute that any fund of this nature generates from time to time.

I don't think that there's a great deal more that I want to say on this. I would ask the Honourable Member from Lakeside to consider, if at all possible, whether, in view of some of the remarks I've made, he would not like to reconsider the amendment that he's placed before the House. I'm saying this, that the suggestion of studying, or laying this matter before the Agricultural Committee, I feel that this is the course or this is where it should eventually end up in terms of the final dissolution of the tax, or its new application or how it should be, or how the level of tax that may have to be arrived at. I'm suggesting, though, that at the moment by not having this very important piece of information, that is to know in fact whether the present Horned Tax Fund is a deterrent - and this is the one that I certainly am not in a position to say whether it is or not - but I am suggesting that we can find this out only by one means, and that is by lifting the tax, suspending it for a period of two or three years. I might just say, in that respect, the Honourable Member from Lakeside pointed out that the three-year time was not specifically spelled out in the Act. It is my intention to do that and I certainly would be amenable to making that more specific if that was the request of the members in the committee stage, but I repeat in closing that I would ask the honourable members to reconsider their position taken on this in light of these few remarks that I've made.

I'm suggesting, therefore, that the tax be suspended in order that the matter can be thoroughly, you know, researched to determine whether or not there is a deterrent feature in light of the present livestock practices that we are having here in the Province of Manitoba today. Thank you.

MR. MOLGAT: Mr. Speaker, I certainly don't consider this bill to be one of the major items in agricultural legislation in the Province of Manitoba, but the speech of the Minister absolutely prompts me to get to my feet, because when he started off by saying that he had no hesitation in introducing the bill in the first instance, it was obvious from listening to him today that he has extreme hesitation in really defending his position at this stage, and

(MR. MOLGAT cont'd.) he made the best case possible for the very point that my colleague the Member for Lakeside made in introducing the amendment, because the whole gist of the Minister's speech was that he really didn't know whether this was the answer or whether it wasn't, and that's exactly what we're saying: that you don't know what the answer is, and so the best way of finding out at this stage is not to introduce a bill to correct it, not knowing what the bill is going to do, but rather to refer it to the committee. It doesn't kill the bill. Let's proceed and have the Agricultural Committee look at this and let's get before it the livestock people who have approached us -- that's true; they have approached us. They've spoken to all the groups in this House, I'm sure, and we listened with a great deal of interest to their point of view and they have a valid point.

There are other sides to the question, however, as has been shown by the debate in the House, and certainly the over-all interest that we must pursue is the improvement of the over-all agricultural situation, the improvement of livestock production in Manitoba, and this is one area where there are at present substantial losses. The Minister himself admitted that these losses amounted to millions of dollars over the years and that the Act, when it was originally brought in, had cut these losses in half. Now there's a very important point here, then insofar as the livestock people; that if there are millions of dollars of losses, then we should be looking at every means possible of cutting that loss down. It's an economic loss to Manitoba as a whole and it's a loss to the producers themselves.

Now, before the committee we can get the people from the packing industry, who can speak on this in very clear terms because they are the ones who see the damage in the end; they are the ones who see the carcasses and know what happens to the value of that meat; they know the over-all losses. We can have the point of view of the stockgrowers; and out of that we can end up with a sensible recommendation as to what needs to be done. But for the Minister to say that, because he's introduced the bill, now we have to proceed with it, I think is one of those matters in which too frequently governments get involved, Mr. Speaker; that they propose something, then after further consideration and further discussion, I think they admit and realize that this isn't what they should do. Surely this is what the Minister is doing today. In his so-called defence of his position, he clearly pointed out to the House that this isn't what we should be doing, but he finds himself with this bill before us and he now feels that, not really wanting to defend it, he must. I say to the Minister: don't let that bother you. We're not going to pick on you because the bill isn't what it should be. We've been very generous. All we've suggested is that we'll discuss it in committee. We're not trying to embarrass you or do anything -- we're trying to do what's best here for agriculture, and the amendment proposed by my colleague does exactly that. So don't take a fixed position. Just be prepared to admit that the matter needs further study. This is certainly what your speech today told us.

MR. ENNS: I'm taking a suspended position.

MR. MOLGAT: Your speech clearly told us that you have tremendous hesitation, that you really have had second thoughts about it, but you find yourself caught, and having introduced the bill you don't want to back down. Well, let's not play it on that basis. We're prepared to call the game even; let's accept this amendment, send it to the committee, and there we can do the best thing for agriculture.

MR. NELSON SHOEMAKER(Gladstone): Mr. Speaker, it is quite evident that the members of the House are not unanimous in either the amendment or the main motion on this one, and they are like the farmers in this respect, I gather. Now, about a week ago I phoned the Gladstone Auction Mart to get some figures on the number of cattle that were coming in for which they were making the \$2.00 deduction for horned cattle, and it's interesting. As you know perhaps, Mr. Speaker, they do have an auction sale every Friday, or nearly every Friday, and he gave me the last seven sales, the total number of cattle that were brought in and sold and the total number for which they deducted the \$2.00 for horns. So on February 2nd there were 95 sold and seven with horns, so that represents roughly eight percent; February 9th, 109 head, 14 with horns; February 16th, 52, 12 with horns - that's about 23 percent; February 23rd, they had a big sale, 223, 47 deductions for horns, or about 22%; March 1st, 246 head sold, 53 of which has horns; March 8th, 262, 86 of which had horns - 30% of them; March 15th, 228, with 47, or about 22%, with horns.

Now the manager told me, as has been said in this House, that when you have about five out of 25 - in fact it's running higher than this as I think this would average roughly 25%,

(MR. SHOEMAKER cont'd.) considering the seven sales; it would be roughly 25% of them with horns - and he said there's no argument about it, that if you have a lot come in with 25% of them with horns, the buyers just knock the price down on the whole 25 of them or the lot that's being sold. If they bring in a lot, put them on the scales, and three or four or five or six of them have horns, why the price drops for that. Now he said that will happen or the buyer will say: "Take the ones out with the horns and sell them by themselves," so there is an economic loss, there's no question at all about that. And then he said, too, that so far as Gladstone was concerned, about 50 percent of the cattle that is sold there go to the packers and about 50 percent back to the feeders. Now isn't it a fact that the cattle that went back to the feeders and were eventually resold to the packers, somebody is collecting twice? And as he said, in some cases they would collect three times on the same beast, because quite frequently they will come back into the sale, they're sold to another feeder, and so they've made a deduction three times for the same cow, and ever since they've held the sales there the percentages of cattle coming in with horns remains pretty constant - and a much higher figure than my honourable friend the Minister quoted. I think my honourable friend said that it was now about 12 percent, but it's nearly double that at a lot of the auction marts for some reason or other, and this does not include the small ones - what is it? Under 400 pounds or something of that kind.

Now I must confess he thought that the money that they were receiving at Gladstone for the livestock in Health Inspection Pilot Program was an excellent one, but as my honourable friend says, whether it is fair to use the receipts that are coming from the Horned Cattle Fund for another purpose -- I mean, that's open to question. However, the project in itself is good.

But we're getting away from the motion that is before us. In consideration of the fact that there is no unanimity at all on this particular bill, I think the amendment is an excellent one, because what is to stop us right tomorrow, if we found it necessary, to call the Agricultural Committee together? I believe there are 27 members on that committee so that's half of the House, half of the members of the House. We could announce in the papers that a meeting of the Agricultural Committee will be called on such and such a date to allow presentations to be made, and meet for a couple of mornings if necessary, and then draft legislation that seems to meet with the approval of the majority that meet with us, rather than to do it backwards as we seem to be doing it at the moment - that is, to bring in a bill and then listen for the complaints to come in. And so, Mr. Speaker, I certainly intend to vote for the amendment that is before us. I think it is the only logical thing to do.

MR. SAMUEL USKIW (Brokenhead): Mr. Speaker, I wish to suggest to the House that I do appreciate some of the points that were raised by both sides of the House and the fact that the Minister recognizes that we are not all of a difference of opinion on the subject matter, probably a difference in approach to the problem. But in effect, Mr. Speaker, I think we ought to give further study to the problem. I don't think it would inconvenience the industry too much if we decided to put off legislation for six months or even a year at the most, while we, the members of the Legislature, were able to undertake some realistic probings into the problem of horned cattle. And I suggest that the Minister ought to not decide to use this issue as being one of utmost importance insofar that we have introduced it and that he must back it up. I think he should compromise his position in the interests of the industry and possibly yield to the amendment posed by the Honourable Member for Lakeside, which I intend to support, and let's have a go at it and see whether or not the industry will respond by presenting briefs to the Committee on Agriculture, and in effect give us a better understanding of the picture and probably a better solution to the problem.

I don't intend, Mr. Speaker, to prolong debate on the subject. I just thought I'd re-emphasize those few points. In all sincerity, I suggest to the Minister: let's take a better look at it, because he does admit that he's not sure of his own legislation.

MR. HARRY P. SHEWMAN (Morris): Mr. Speaker, in speaking to the amendment, I would have to vote against the amendment and I say that in these words: that after looking back over the years that this Horned Cattle Fund has been in existence, there hasn't been too much money spent on educating the cattle breeder to dehorn his cattle, and we can go back to 1945, for instance, when there was \$120.00 spent in trying to educate the cattle breeder to dehorn his cattle. We can go back to 1947; there was \$548.00 spent, with another sum of \$382.00 for advertising which was spent at that time, and I think personally and it's my

(MR. SHEWMAN cont'd.) opinion that, - and I think it was along about 1950 or 1951 - this same question was before the House and they voted then at that time to keep the fund where it is today, and when that was before the Agricultural Committee I remember quite distinctly that I raised the question that the tax should be increased from \$2.00 to \$5.00. My motion carried for a moment or two until the opposition, or the government at that time, could get out in the hall and bring in two more members to defeat the previous vote, because at that time we had the same argument as we're having today. I realize that there is damage done by shipping cattle with horns on and I also realize that the cattle buyer or the feeder that's buying cattle likes to buy them without the horns, but in almost every case that I know of, when a feeder goes out and purchases one, two, three carloads of feeders, about the first thing that he will do will dehorn the cattle. The problem is to get the chap that's just got one or two head to bother dehorning the cattle, and when they're brought in to market and they're turned into a pen with other cattle, that's when the damage is done and I believe that we should just abandon this Act for a year or two - two or three years. Then with the modern experience that we can gain from that length of time, then bring it before an Agricultural Committee of the House for further study. We'll have a lot more facts than we have today, or I believe it's impossible to get these facts today in a good many instances. So I'm going to vote against the amendment.

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

MR. DOUGLAS CAMPBELL (Lakeside): Ayes and Nays, please, Mr. Speaker.

MR. SPEAKER: Call in the members.

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

YEAS: Messrs. Barkman, Campbell, Cherniack, Clement, Dawson, Desjardins, Dow, Doern, Fox, Froese, Green, Guttormson, Hanuschak, Hillhouse, Johnston, Kawchuk, Miller, Molgat, Patrick, Paulley, Petursson, Shoemaker, Tanchak, Uskiw and Vielfaure.

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

MR. CLERK: Yeas 25; Nays 29.

MR. SPEAKER: I declare the amendment lost.

Are you ready for the question on the main motion? Those in favour please say aye . . .

MR. RODNEY S. CLEMENT (Birtle-Russell): Mr. Speaker, I would move, seconded by the Honourable Member for Gladstone, that the debate be adjourned.

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

MR. SPEAKER: I wonder if I may ask leave of the House to go back on our Order Paper where I overlooked something, which I regret very much, and that had to do with the adjourned debate on the proposed motion of the Honourable Member for St. John's and the proposed motion of the Honourable Member for Rhineland in amendment thereto. When I called for the vote on that, I overlooked the fact that I should have had you vote on the amendment first, to the main motion, and I wonder if we may deal with it now. Agreed?

MR. SPEAKER put the question on the amendment to the main motion and after a voice vote declared the motion carried.

MR. SPEAKER: To make it doubly correct, may I put the question on the main motion as amended?

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

MR. SPEAKER: I thank the House for their indulgence.

The proposed motion of the Honourable the Minister of Education, Bill No. 20. The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I wonder if I could have the indulgence of the House to have this matter stand?

MR. SPEAKER: Does the honourable member have leave? The proposed motion of the Honourable the Attorney-General, Bill No. 7. The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I was interrupted the other day when the Honourable Minister made his opening remarks or introduction of the bill on second reading, and I adjourned debate so I could read up on what he had to say. I welcome the bill that is before us - it's actually a new Act - and as some of the other speakers who have already spoken on the

(MR. FROESE cont'd.) bill, called The Presumption of Death Act, that it will be welcome to many people. This has been a matter of concern to a good number of people, especially those that were displaced during the Second World War and who emigrated to Canada at that time, and who were presented with this problem that we're speaking of in this particular bill - a number of them contemplated re-marriage - and certainly I think this legislation will be of value also in the future. I also note that under the bill they are empowering the different courts so that there should not be any unnecessary delays in getting certificates under this Act. I think the other matters that I'm concerned with have already been raised by the Honourable Members for Selkirk and St. John's so that I do not intend to speak on this bill any longer, but I will certainly concur with it and endorse it to have it proceed on further.

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

MR. SPEAKER: Second reading, Bill No. 3. The Honourable the Provincial Treasurer.

MR. EVANS presented Bill No. 3, an Act to amend The Insurance Act (2), for second reading.

MR. SPEAKER presented the motion.

MR. EVANS: Mr. Speaker, I think I had the opportunity to explain in general what this bill covers. The insurance superintendents of the Provinces of Canada have studied the general sickness and accident section of the Insurance Bill over a period of five years, and are recommending a series of uniform amendments to the various provinces of Canada. Among the major provisions are to include arrangements for group insurance policies which are becoming more prevalent, to provide that a certificate containing certain information must be issued to each member insured under a group policy, that certificate to contain such information as the name of the insurer, the amount of insurance, the termination provisions and the termination rights.

A person insured under a group policy, or his beneficiary, may now sue in any part of Canada, not merely in the province in which the insurance was written, or he may sue in his own name -- no, I should correct that. That a person insured under a group policy or his beneficiary, may sue in the name of the insured person. Regardless of where the contract is made, a claimant resident in the province may bring action in the province if the insurer is licensed therein.

Another provision is that undue prominence in the printing of a policy - that is, undue prominence by way of larger type or bold-face type or red ink in the printing - of any part of a policy, may be used only if it increases the premium or reduces the benefits. In other words, bold-face or a very large type may be used to warn an insured person of something that is to his disadvantage and not used as an advertising device to hold out the advantages or the attractive parts of a policy.

A court may relieve against forfeiture of benefits in cases where the insured has not complied perfectly with the statutory conditions. There are minor variations, I believe, which it is quite proper for a court to relieve against, and this provision now makes it possible for the court to do so.

No insurance agent shall, to the prejudice of the insured, be deemed to be the agent of the insured.

I believe those are the principles contained in this bill and I commend it to the House.

MR. HILLHOUSE: Mr. Speaker, I have checked over the Act and I am in accord with the general principles of the Act and in respect to the various changes that have been made in this type of insurance. I think they are all to the benefit of an insured person.

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

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

MR. SPEAKER: Bill No. 37. The Honourable the Provincial Secretary.

MR. McLEAN: Mr. Speaker, with leave of the House, may this matter stand?

MR. SPEAKER: Does the Honourable Minister have leave?

I wonder if the Leader of the House has a motion . . .

MR. EVANS: Mr. Speaker, I beg to move, seconded by the Honourable the Attorney-General, that Mr. 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.

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

COMMITTEE OF SUPPLY

MR. CHAIRMAN: Committee proceed, Department X. Mines and Natural Resources.
1 --

MR. MOLGAT: Mr. Chairman, on the item of the Minister's Salary, I want to make a few comments. I have not spoken as yet on the Estimates of this Department.

This is one of the departments, it seems to me, that is of crucial importance to the province of Manitoba. When you look at the potential future of our province and its various assets, this is the one area where we can expect some very substantial improvements in the future. We speak very frequently about our great north country and about the tremendous possibilities there, and I agree totally with this. It seems to me however, Mr. Chairman, that the very problem that we have in this department is that the government, while speaking about northern Manitoba and about resource development, about the needs to develop these areas, really doesn't believe itself that this needs to be done.

Now, I don't blame the present Minister for that situation, and my comments go far beyond the Minister himself. He is new in the department and is not to be held responsible for it. But I think when one looks at the history of this department since this government took over, it is easy to see that there really hasn't been a great deal of interest on the part of the government. You need only look for example, at the record of Ministers who have occupied the Chair of the Minister of Mines and Natural Resources. It seems to have been shunted along from Minister to Minister as a sort of a second-hand operation rather than being the prime consideration which it should be. It started off in the hands of the present Provincial Treasurer, then went to the present Minister of Health, then it was given to the present Attorney-General during his period of banishment. Rather than send him to Siberia we sent him to the Department of Mines and Natural Resources for three years, presumably to teach him a lesson.

A MEMBER: Serves him right, too.

MR. MOLGAT: This was the action of the government and was the attitude reflected by the government. Then subsequently it was returned back to the Provincial Treasurer on a part-time basis for awhile, and now to the new Minister. And this, I think, is indicative of the attitude of the government towards this crucial department, and when I say "crucial" Mr. Chairman, one need only look at the items that are covered under Mines and Natural Resources - the basic things which the government itself says - and I agree with - should make Manitoba the province we want to see in the future.

Item No. 1, apart from administration and planning, Department of Mines, for example. Well, this is one area where Manitoba really needs to do a great deal more; one area where we can look forward to some great developments. We have spoken about them in the House already and I won't go over the whole thing, but I'm disappointed when I see that in this particular area - for example, in the field of exploration and development investigation, the very places where we should be investing money if we are going to get returns - we find the government reducing expenditures. Where last year they were prepared to spend some \$165,000 on exploration and development, this year they plan on reducing it to \$50,000. Other departments; again of crucial importance to us are Fisheries, Forestry, Lands - the whole control of the lands in the province that are not in private hands are in the hands of this department. They control more of Manitoba than all the people privately put together, because the vast bulk of our land is still Crown land in this province and it's all controlled through this one department. Wildlife, the crucial aspect of our tourism and a longtime aspect insofar as our people in this province and the enjoyment of the province of Manitoba, again strictly within this department.

It seems to me, Mr. Chairman, what has been really lacking in the Department of Mines and Natural Resources, is any possibility of long-range planning, and the reason for that lack is that there hasn't been any consistent policy on the part of the government and there's been no possibility of a consistent policy because they have never really been sufficiently concerned and they have simply moved it from one Minister to the other, as I have mentioned. This we find, as a result in many of the areas under the jurisdiction of this

(MR. MOLGAT cont'd.) department, that there has been no possibility of developing a consistent program.

We dealt the other night briefly with the question of fisheries. Well, ten years ago the government said they were going to act on the question of fisheries. There has been very little change in those ten years, Mr. Speaker. The fishermen find themselves in the same difficult circumstances as they were at that time. In fact, in the past year they have had the worst year on record. Prices fell to a very low point and the government is saying, well, it's all Ottawa's fault because Ottawa hasn't moved along on a fish marketing board. Mr. Chairman, there has been plenty of time for this government to do things as well. They haven't really established in their own mind, for example, let alone tell the people of the province, what their policies are with regard to the question of commercial fishing versus sport fishing, and what is in the long-term interests of the province of Manitoba. Obviously, when we look at a lake like Lake Winnipeg or the major lakes, Lake Manitoba, Lake Winnipegosis, the question of sport fishing versus commercial fishing is not probably one of immediate importance there, but when you look at the tremendous number of lakes in Manitoba in the potential tourist areas, what is the policy of the government? I'm told by the tourist operators that there is no policy. They tell me that there's a far greater economic benefit to the province of Manitoba from the use of sport fishing, that fair-sized fish, be it lake trout or be it jackfish or Great Northern pike, as the sportsmen call them, such a fish from a tourist standpoint is worth many more dollars to the province of Manitoba than a similar fish used as mink food or used in commercial activities, commercial fishing; and yet the government seems to have no consistent policy as to which lakes are to be fished in which way, and the tourist operators cannot find what the government intends to do.

We come along to the Department of Game, for example. Some years ago we were told that the Game and Fish Department should be separated because these were two different concerns, and that you needed a separate department for wildlife matters, a separate department for fisheries. This seemed to be a valid argument and was accepted, and each had its own director. Last fall, I think about the month of October, the Director of the Wildlife Branch retired. He had reached retirement age. Now this didn't happen, Mr. Chairman, out of the blue. The government had ample notice. They know the ages of their employees and they know when they are due to come to retirement, and yet it appears that no action was taken by the government to find a replacement and that branch went on for some months with no director. Finally, approximately in January of this year, the government decided that the same individual who is the Director of the Fisheries Branch would also become the Director of the Wildlife Branch.

Now, my comments are in no way critical of that individual - not in the least. I would hope that this would not be interpreted in that way. But there just doesn't seem to be any consistent policy on the part of the government. Some years ago they tell us the department must be divided; now, through no apparent conscious policy but simply by lack of action, by lack of policy, they find themselves in the situation where they have one director handling the two departments. I wonder: does this indicate the interest of the Minister in these two areas? Does it indicate that he feels that the question of Fisheries and Wildlife are no longer of sufficient importance to warrant at the head of each, a Director specializing in those areas? I don't know, but it seems to be part again of that lack of long-range policy on the part of this government.

Mr. Chairman, I would hope that there will be a reversal of this attitude. We cannot on the one hand say to the people of the province of Manitoba, "Our future lies in the north. Our future lies in greater tourist development. Our future lies in the better use of our land," and then turn around and have no policies to make these effective. And yet this has been the record of the government in this regard.

Before I sit down, Mr. Chairman, I want to say a few words about the situation at The Pas and that area insofar as the Churchill Forest Products. When the government originally brought the information to the House, Mr. Chairman, some few years ago, and it was then brought in by the present Provincial Treasurer, the plan was laid out as a definite phased program. It was to go through specific phases. The Minister gave us at that time specific information as to the number of cords that would be cut and the number of board feet of lumber that would be produced, and this was the great plan at that time, the opening of northern Manitoba. In exchange for this, Mr. Chairman, these people were given rights on 40,000 square

(MR. MOLGAT cont'd.)... miles of Manitoba lands; 40,000 square miles, Mr. Chairman, represents one fifth of the province of Manitoba. Twenty percent of Manitoba was turned over to these people in exchange for this \$100 million development.

At that time, Mr. Chairman, we said to the government, "If this is in fact what is going to be done, we applaud it; but we would like to know who these people are, and we would like to have assurances that they will, in fact, proceed to live up to the letter of the agreement, because if they don't live up to the letter of the agreement, if we as Manitobans are giving away one fifth of our land as special rights to these people, what guarantees do we have that we will get in return what they said they were going to do?" And our questioning through the years has been exactly on that line. Tell the people of Manitoba the facts. Tell them first of all, whom they are dealing with. Let them have an assurance that the program will go through to its conclusion, because short of that, then we have grave doubts that it is a sound proposition, but tell us that we are dealing with reliable people; name them - and there should be no secrets when we are dealing with that size of a development; in fact, there should be no secrets in government operations of this nature. Certainly if we are giving rights on one fifth of Manitoba, the people of the province have full right to know whom we are dealing with. Give us the facts. If we are sure the program will go through, then that will be fine.

What has been the situation? We have never been able to find out exactly who was behind this project. We have never been able to find out who actually is going to put up the money for this project. Now the Minister advises us that the first, or the second phase rather, the lumber plant at The Pas, is going to be cut in half, and apparently this decision was made some ten months ago. Eight or ten months ago it was decided this would be done. Was there at that time an announcement by the government to the people of the province? Was there anything said at that time, Mr. Chairman, that there was a change in the program? Not at all. It's found out in the House now in a sort of a second-hand basis by questioning from members of this side. I don't think that the government has been straightforward with the people in this regard.

And so the question still remains: Are we guaranteed that this program will go through to its final conclusion? Because unless these people are in fact going to build a pulp and paper mill in The Pas, unless they will follow through with the 100 million program that my honourable friend spoke about before the election, then I think that we have to have a complete revision of the whole program, because by giving special rights on one-fifth of the province to these people, what have we done to the other operators who were previously in that area, the men who had been operating lumber establishments and pulp-cutting operations in that area who, according to the government, were to be protected, but who apparently find themselves in the position that they can only sell to the one operator; they cannot sell outside of that. If the one operator who is given the special rights is not going to live up to his obligations, isn't it time that we reviewed the whole program and see what rights we should give back to those other individuals who are in the area? What guarantees do we have now that the pulp mill and the paper mill will proceed? Is the government going to tell us at the next session that they've made further decisions in the meantime, as they have apparently done with the lumber mill, without advising the people of the province that there are going to be some changes?

So I think it's time now for the Minister to give us a clear-cut statement of who in fact are the people who are going to put up the finances for this operation; give a full guarantee to this House that they will live up to the total program as laid out originally; and if he cannot give that, then I think that the government should reconsider the operation in the light of the changes by the company itself and in the light of the interests of the people of the province.

HON. DONALD W. CRAIK (Minister of Mines and Natural Resources) (St. Vital): Perhaps I could answer some of the questions that have accumulated. I think there was a question brought up by the Honourable Leader of the NDP the other day regarding fish fry, export of fish fry to the United States. The answer to this is no, there is no export of fry to the United States. Fish eggs are exchanged back and forth across the border providing there are foster fish on both sides, and that's the answer to that one.

There was a question also by the Honourable Member for Gladstone regarding these mirrors that are set on the highway for deer. I understand that this is under the control of the Highways Branch who are experimenting with these. They have some in the province and their first intentions are to instal them on No. 1 East on an experimental basis. I don't know whether there's intention to instal one east of Neepawa as he suggested in his notations.

(MR. CRAIK cont'd.)....

Regarding the Honourable Leader of the Opposition, in referring to some of the points which he has made, I would first of all say with regard to the mining budget - showing the reduction in the mining budget - I mentioned earlier that this was due to the fact that the Canada-Manitoba Aeromagnetic Survey was completed this year and the amount which we contributed to that program is the difference in the exploration budget, which is about \$116,000.00.

With regard to Fisheries, I don't think we ever blamed Ottawa or anybody else for the problems in the fishing industry this year. We well realize it has problems. The points that I made earlier were that I would like to see the Federal Government take action. They have it before them now - have had it before them now. I make this point again; they have been holding it up. I would admonish the representatives again that are going down there this week that one of their candidates has been the person that has been most interested in this, and in fact, if you would like a reference to the House of Commons debate, the point was brought up by the Honourable Member (Federal) for Selkirk, Mr. Stefansson, who asked the Trade and Commerce Minister about the Fish Marketing Board and the progress on it, and his reply was: "Mr. Speaker, we still have this under consideration. We are in active consultation with the western provinces, particularly Manitoba. We are developing a program which will allow us to work together, federally and provincially, to evolve a plan which we hope will help the fresh water fishermen in the marketing of their fish."

Now that has gone further since then and has in fact got to the stage of the draft legislation, March 1, 1968. And this has got to that point. What we're waiting on - again I'll repeat it - is the draft legislation; we don't necessarily need the final approved legislation. We would like to see what they're drafting so we can provide the enabling legislation here in order to dovetail the requirements of Manitoba, and hopefully before the end of the Session.

With regard to wildlife, the Honourable Leader of the Opposition made the point that we may be slipping the Wildlife Branch into a secondary category. This is certainly anything but the case. We have amalgamated it on a temporary or trial basis with the Fisheries Department, so that they are both under who was previously the Director of Fisheries.

I would also point out to him that far from considering the Wildlife requirements of the Province of Manitoba secondary, we give it very high priority. I would point out to him that the Deputy Minister of the entire branch who came to us a year ago, a little better than a year ago, was one of the foremost wildlife men in Canada, in fact headed up the Wildlife Section of the Federal Government before coming here, and he has added tremendous strength to the whole area of conservation, and particularly to wildlife preservation and particularly to the long-term programming which we're being accused here of not doing. I would point out and emphasize this fact that the wildlife interests are much greater and stronger than they have probably ever been in the province.

Now the other point which he brings up with regard to Churchill Forest Industries, I don't think he asked any new questions that I haven't already treated here in the House - at least I didn't pick them out specifically if he did or not - and I don't know that there's any particular point in emphasizing. I think his remarks fall into the same category as the statement that I made on the opening day of the Legislature. I think he is quite familiar with who the backers are of Churchill Forest Industries and this has been said over and over again who they are, the principal ones, Technopulp, Monoca, and Heindle. It's the same group, and in terms of wanting to know who the specific individuals are in them, the directors are listed and this is no problem so far as I know, so I don't think there is anything I can answer there.

MR. MOLGAT: Mr. Chairman, has the capital structure of Technopulp and Monoca changed since the original plan, because at that time when we checked it they indicated the capitalization of 50,000 Swiss francs, which was 12,000 U.S. dollars each. Now this is hardly the base on which to develop a \$100 million industry. Has it changed?

MR. CRAIK: The capitalization -- as you know, the actual structure of the Monoca company, which is Swiss based, has a non-disclosure clause that is common to all the European -- or at least the Swiss based companies. As far as Technopulp and Heindle are concerned, Technopulp is American based and their capitalization can be well known. Heindle of course is one of the larger firms in Europe.

MR. CLEMENT: I just want to speak briefly on this department for a second and ask the Minister a question or two. I want to first of all congratulate the gentleman on the position he has now taken - very responsible. I'm sure that if he has the capability that he has

(MR. CLEMENT cont'd.)... personality, there'll be no problem with the Department of Mines and Natural Resources. We kind of missed him with our little trip up north on Saturday. I thought perhaps he'd come along to have a look at the timber up around Wabowden, and as somebody had mentioned earlier on, it would have been nice to have landed at The Pas and had a look at the Churchill Forest Products. I even volunteered to jump out when we went over The Pas if somebody would supply me a chute and bring a report back. However, as usual, I was not able to do this and I do not want to get into a lengthy address about Churchill Forest Products. The only thing that I would like to say is that I know some friends of mine at home have gone up there to try to get some work with some heavy equipment and they came back with the report that the problem in The Pas was that the men that are working there now are still unable to get paid for the work they were doing, so they had no intention of getting involved with Churchill Forest Products.

However, my main concern, Mr. Chairman, is not Churchill Forest Products but it is potash. I would like to know from the honourable member what he knows about potash. The way it's swept across the Province of Saskatchewan the last two or three years reminds me of the program Bonanza, how the flames shoot across. It came to the Manitoba border, got about three miles over and then backed up, and the mine that we should have had in Manitoba is now in Saskatchewan. So what I would ask you, Sir, is that you make a thorough study of your department - department records - the potash possibilities in Manitoba, so that if and when this opportunity arises again you will be in a position to have all the answers and, I would suggest, beat the Premier of Saskatchewan to the gun and let's get the potash in Manitoba next time. I think it's important.

However, be that as it may, there is a potash mine being developed three miles inside the Saskatchewan boundary which is about 12 miles west of St. Lazare, and if it is anything like the mine at Esterhazy this is going to create a lot of work for a lot of men from Manitoba. The Town of Russell - there's something like 75 men go back and forward to work - Binscarth, Inglis, Roblin, Birtle, Foxwarren. So when this mine gets really into production at Rocanville, I would hope that you, along with the Minister of Highways, and if he's not around see the Premier, because he's fully familiar of this area and how badly we need the road and where it should go, because he and I had the pleasure last summer of making a tour of this particular area. But it is very important and I would hope that in this year's budget, as far as highways are concerned, some allowance has been made to at least construct this road of some 10 miles across the plains west of St. Lazare so that these men will be able to get work. There was quite a fair sized labour force through the St. Lazare area, and I noticed by the paper last night it looks as if we're going to have a radio station out there. They're probably going to speak French - I don't know - but this will create work for these people.

I would simply ask you, Sir, that you do everything you can that in the future, with potash that we do get some of this in Manitoba. The potash is here; it has to be here. But you've got a pretty sharp man in Mr. Thatcher and I suggest that you have all the answers. You might have to fly - but you won't have to go to Switzerland, you might have to go to Texas or somewhere like that - but when they come in, you have the answers and be ready.

MR. EDWARD I. DOW (Turtle Mountain): A question was asked the Minister a few days ago in regards to compensation of damage done by, particularly deer, to the farmers in the areas where the deer's habitat is, and over the weekend I had the opportunity, very late at night, being called out by one of the farmers so affected, and in this particular instance a large stack of alfalfa and clover, that we actually counted 85 deer on top of this stack and around the stack. To any of those of you that have experience with it, you know that once the deer hit the stack this is finished for cattle feed. I noticed that in your year-end book that the resident fees for deer - licence fees - run from 150-odd thousand to \$160,000.00. To any of you that have done any hunting know that the licence fee is the small part of your cost; and I'm suggesting, Mr. Chairman, to the Minister, that it is now time that a fee be added to the licence fee for shooting deer so compensation can be paid to these farmers for the loss of feed, be it baled feed or grain, because at this time of year, and this is the time of year that really hits the individual, is the time when he can't duplicate it, he can't replace it, and it's a very serious loss and I think he should be compensated for it.

MR. GREEN: Mr. Chairman, I just have one word to say with regard to the remarks that were made by the Honourable Member for Birtle-Russell concerning potash. I wonder if the Minister can check to see whether there's any truth in the suggestion that some of the

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(MR. GREEN Cont'd.)... problems that have been associated with presently marketing Saskatchewan's potash have to do with the fact that the companies are American based and that they are limiting the areas to which Saskatchewan potash can be sold, and if that is so, would not this be a good time to get into the potash business and market it to places which these American based companies won't permit the potash to be sold to, if that is correct. I have no direct information on that but it's been told to me as being part of the problem with marketing potash at the present time.

MR. SHOEMAKER: Mr. Speaker, I want to thank the Honourable Minister for replying to some of the questions that I put to him the other day, but one that he failed to touch on was just mentioned by the Honourable Member for Turtle Mountain, and you will recall that I made the point once again the other day that farmers should be compensated for the loss of their property through wildlife of all kinds. I raised this point 10 years ago and I've raised it every year since. The reason that they have deer down in Mr. Dow's country is because a lot of farmers feed them, but why should the farmers be called upon to feed the deer in this case, or why should the farmers at Langruth and Amaranth and the Plumas area be called on to personally put up the money that is necessary to assure that we will have a crop of wild ducks or wild geese, because it is a fact that a limited number of farmers in the province subsidize the whole department and it's not right.

Now I have a letter before me from my honourable friend C.H. Witney, who used to be the Minister in charge of this department, and it is dated June 17, 1963 and that's nearly five years ago, and it is in reply to a letter I wrote to him on this same subject matter of compensation to farmers for deprecation done by wildlife and he says: "My position has not been changed with respect to compensation to farmers for damage caused to their crops by wildlife." But I don't know what his position was five years ago and I don't know what the position of my honourable friend the New Minister is in this regard. What is the government's policy in respect to compensating the farmer? What is it? This is what I'd like to know.

Now I also in this same letter to my honourable friend the present Minister of Health, I asked him another question that concerns the new Minister, and that is the lake levels of Manitoba. And in the opening sentence that my honourable friend C.H. Witney wrote me on June 17, 1963, he says, "With respect to your letter of June 12, the high level of Lake Manitoba is a problem for George Hutton. I will forward a copy of your letter to him so that he can reply." It's no longer a problem to George Hutton but it certainly is a problem to a lot of farmers in the Langruth area - a real problem.

And it has to do with fish and wildlife, and here is a very short letter from a farmer who farms right up against the lake, farms a lot of land up around the lake, and I think I'll read it to you because it's short. It says,

"As the Manitoba Legislature begins its Session this week, I hope you will be able to bring pressure on the powers-that-be to see that the logs are removed at the dam in the Fairford River. The farmers along the west shore of Lake Manitoba do not want a repeat of the flooding of the valuable hay and farm land that happened last year. This past season, the winter fishing was a failure. I also believe that this is due to the fact that the fish get up in all of the little creeks and ditches to spawn and then the spawn gets trapped in all these little waterways and never get back into the lake. I hope you will be able to look into this matter."

Now this fellow - and it's signed Roger A. Wilson - this fellow raises two points here, that the flooding of the lake -- when the lake gets too high it floods a lot of the land there and it makes it impossible for them to put in a crop or get one off, and last year there was hundreds and hundreds of acres of that land that was flooded and they could not get a crop of hay off. They couldn't get their hay off. That's what he's saying on the one hand. On the other hand, he is saying that because of the fact that the lake is kept at too high a level the fishing industry suffers. I hope that my honourable friend will be able to assure the House that this valuable farmland will not be flooded in the year before us, and he'll probably be able to tell us that logs have already been removed from the Fairford Dam that will relieve the situation.

Also in this letter from my honourable friend C.H. Witney five years ago, I asked him about the fish processing plants, because the government promised that there would be some seven or eight years ago. Five years ago he says, "The rough fish processing plants are in the realm of discussion at the present time, with several proposals before the department from a variety of locations and interested people such as fishermen and fur ranchers. All of these proposals are being assessed for their merits." But what have we done about them in five years? That is the question. They were all being assessed; they were in the realm of discussion. Nothing happened at all in the last five years.

I think it was the Honourable Member for Churchill, who is not in his seat at the present time, but he accused the government of "being involved in a thinkers' conference on a year round basis." I think that's what he said, and he was inferring that nothing is actually resolved by a study in depth. It's the action that follows that study in depth that should result in some action. So perhaps my honourable friend can tell us what he is doing in respect to the lake

(MR. SHOEMAKER cont'd.) levels of Manitoba that will resolve the problem that has been put to us by this farmer from Langruth.

MR. CRAIK: Mr. Chairman, just to comment on some of the questions which have been raised here. Going back to the question of potash, this is one of course which we're all very interested in and always have been interested in. I think, as has been expressed before, we are caught on the potash pinch-out, if you like, in a similar fashion to which we are caught on the oil pinch-out in southwestern Manitoba. Nevertheless, we do have deposits of potash in Manitoba and I think the one that is of concern to the Member for Birtle-Russell, was particularly of concern when the shaft for that particular deposit went in on the Saskatchewan side of the border.

One of the first things I did on coming to the job was to become versed in this and find out what the potash story was in terms of development. Once you've had a look at the deposit maps, there is not much question that the place for that particular shaft was in the greatest depth and the greatest concentration of potash, and that happened to be exactly where they put the shaft on the west side of the Manitoba-Saskatchewan border. This does not mean though that we do not get return from that particular mine, because after the mine is in operation and at some future date they will be driving through under the Manitoba territory and there will be royalties of course collected from it. The difference is of course though that the shaft is actually located on the Saskatchewan side of the border. There are other deposits of potash in Manitoba, and in that same general area there are a collection of claims in that area that we're still hopeful that will bring a potash mine to Manitoba.

I think you're all so familiar with the state of the potash market which Saskatchewan finds itself in, and that is that there has been potash coming on to the market in greatly increased quantity driving the price down, and the supply-demand situation has swung to one of supply versus one of demand. As a result of this, Saskatchewan has recently changed its regulations regarding the development of their potash industry and has spun out the time period over which the companies which held rights may take to actually develop their property. And without going into the detail of it, the royalties which they have to pay amount to something of the order of three percent per year versus the capital investment which they would have been required to put up under the old program. So they've had to spin out and change their legislation in order to adapt to the changing demands for potash and the resultant showdown in development which they had once anticipated.

With regards to the Member for Inkster's question with regard to potash, I don't know whether the American based restrictions have any inhibiting effect on sales. My understanding of it is that it's more a case of the world pressures, and particularly the supply which is coming from Russia, because the big and pure deposits are Russia and Canada, and the Canadian ones in Saskatchewan are the richest and largest that are known. Nevertheless, the world price of potash is pretty much determined by the world competition and Russia is the other major supplier.

With regards to some of the other questions that came up here, I would take the advice of the Member for Turtle Mountain -- take it into consideration that the licence fee reflect an amount to help out in compensation for depredation from deer. We do have more protection although we don't know whether it's adequate or not. It's very difficult to govern this but we do have some means of protection for the waterfowl, particularly geese and ducks, and that is the protection devices that are scaring devices primarily. There have been cases where crops have actually been purchased to feed and draw off as a lure the heavy concentrations of ducks or geese, to draw the pressure off the surrounding farmers' fields. Direct compensation though poses an extremely difficult problem in terms of the actual compensation, and particularly with waterfowl. Whether or not deer fall into this category or not may well be worth exploring. It is at least heartening to know that there are enough deer around to cause a problem; then the minor problem may well be figuring out a method of compensation.

With regards to the lake levels determined by the Fairford Dam, I would like to get more information on that before attempting any answer for the Member for Gladstone.

MR. ELMAN GUTTORMSON (St. George): Mr. Chairman, on Saturday members of this House had an opportunity to see the Kettle Rapids Power Station under construction. I wonder if the Minister can tell us what studies have been taken with respect to the effects the levels of Lake Manitoba will have on wildlife as a result of this power project that will be constructed on the Nelson River. -- (Interjection) -- Did I say Lake Manitoba? I meant Lake Winnipeg.

MR. CRAIK: It is not anticipated that there will be any problem on Lake Winnipeg as far as wildlife is concerned.

MR. GUTTORMSON: Will there not be a -- the levels of Lake Winnipeg be affected by the construction on the Nelson River?

MR. CRAIK: No, not in terms of any significant change that we might be concerned about.

MR. CHAIRMAN: (1) --passed; (2)--passed.

MR. CAMPBELL: Are you passing these, Mr. Chairman, (a), (b) and (c)?

MR. CHAIRMAN: Oh, yes. I'm on (a) (2) now, I hope.

MR. CAMPBELL: Oh. You're down to Planning and Programming?

MR. CHAIRMAN: No, no. We're on Resolution 64, 1 (a).

MR. CAMPBELL: 1 (a) -- because I wanted to ask the Minister with regard to the changes in staff in this department. If the figures that I have are correct, there's an increase of four in (a) and a very large increase in (b). -- (Interjection) -- No. I understood the Minister to say we're on 1 (a).

MR. CHAIRMAN: Resolution 64.

MR. CAMPBELL: Resolution 64, correct. There seems to have been a good bit of shifting round of personnel in this department, but I'm particularly interested in the very large increase in 1 (b).

MR. CHAIRMAN: (a) (1)--passed, (2)--passed, (3)--passed. -- (Interjection) -- I thought you were referring to Section (b) of Resolution 64.

MR. CAMPBELL: Well, I raised the same question on both (a) and (b) but ...

MR. CHAIRMAN: Well could we get down to section (b) then?

MR. CAMPBELL: ... seems quite okay. Yes.

MR. CHAIRMAN: (3)--passed. Section (b) (1) Salaries--

MR. CAMPBELL: This is the really large increase here as I see it. -- (Interjection) --

MR. CHAIRMAN: We're on (b) (1)

MR. CAMPBELL: I don't know whether it's any help to the Honourable the Minister, Mr. Chairman, but the sheets that have been supplied to us comparing last year with this year, last year shows 21 people under this heading, that is 1 (b) (1), and this year it shows 53.

This might be an appropriate time for me, Mr. Chairman, to suggest once again that if the government would just agree to put the numbers of personnel in the estimates instead of supplying an extra booklet of them, it would be more helpful to us and I would think more helpful to the Ministers themselves, and surely there can be no extra effort or expense to doing it that way. In that case all the Minister would need to have would be the estimates of last year and the estimates of this year and the two figures would be in front of him. If my honourable friend is unable to look it up at the moment, we'll leave it until we come back to this item.

MR. CRAIK: If I could return to it, Mr. Chairman. Just as a general remark though, we haven't had any increases -- we are doing a lot of shifting from the departments into planning and programming, and in overall terms though we haven't made any increases. Most of the changes here are due to upgrading of the salary levels.

MR. CAMPBELL: If the sheets that have been furnished are correct, there is an increase of 20 people. But I certainly find it difficult to interpret these sheets so maybe my honourable friend does too, and if the comparisons that I have made are right there is an increase of 20 people in total.

MR. CHAIRMAN: (b) (1)--passed, (3)--passed; (b)--passed. Subsection (3) (1)--passed, (2)--passed, (3)--passed, (4)--

MR. MOLGAT: Mr. Chairman, under (c)? Oh, I heard you say subsection (3). I'm sorry. I meant to ask the same question there insofar as staff. Last year's figures show 6 employees under Conservation Education; this year we show 16. Has there been almost a tripling?

MR. CRAIK: No, there have been transfers under Conservation Education. The hunter safety training program went over as of today. It is included under Conservation Education.

MR. CHAIRMAN: (4)--passed; Resolution 64--passed. Resolution 65--

MR. GUTTORMSON: Mr. Chairman, I have a number of questions I want to ask and I don't know if this is the proper place to ask them. It's with regard to the government's policy - wildlife management areas and wetland areas. Is this the place we should discuss this matter? The Minister will recall that he wrote me a letter on March 14 -- or March 4th with

(MR. GUTTORMSON cont'd.) respect to this subject. Is this the proper place to raise this matter?

MR. CRAIK: Unless you want to leave it to Wildlife. It actually comes under wildlife.

MR. GUTTORMSON: Well, Mr. Chairman, I don't really care which -- I have a number of questions that are causing concern in my area with respect to this policy and I'll raise it wherever the Minister prefers that it be raised.

MR. CRAIK: No, that's quite all right, go ahead.

MR. GUTTORMSON : Is the government proceeding with the Wildlife Management Areas and the wetlands program in the Interlake? I have a copy of a resolution that was submitted to the government by the Municipality of Coldwell which reads in part "Whereas we have been unable to find any appreciable public support for the Proposed Wildlife Management Areas in the Rural Municipality of Coldwell; and Whereas there is general public resistance to any such proposal, including a signed petition from all landowners in one proposed wetlands area, asking that their land be not included in any development plan; and Whereas there are many parts of the proposed plan that are not clearly understood or acceptable;

Therefore Be it Resolved that this council go on record as being opposed to any of the areas proposed being declared as Wildlife Management Areas until such time as further clarification and guarantees with respect to the agricultural use of these lands is submitted to and approved by the landowners concerned. We enclose herewith a copy of the petition opposing the wetlands area in Township 20 Range 6. signed J.S. Sigurdsson, Chairman."

Has the Minister or the government had an opportunity to see this resolution?

MR. CRAIK: I wonder if you would be good enough to give me the copy of it and I can return . . .

MR. GUTTORMSON: Certainly.

MR. CRAIK: I would like to bring the answer back to you and see if we have it and what action has been taken on it, but in general in the Interlake area, with the inventory program that's underway, all actions have pretty well been suspended in terms of the designation of land until the study is done. This includes Crown lands and designation of other lands. Now with regard to specific studies in the area, there are some going on quite apart from the inventory program, but if I could get the answer on this for you, I would prefer to do that, if it's okay by . . .

MR. GUTTORMSON: Well it was the impression of the people in the Interlake that this decision would be finalized March 31st and would be going into effect or not going into effect at that time and that's why they were anxious to get this resolution in, I'm told. I attended one meeting that was held by a member of your staff and there was considerable concern - and I think a lot of the concern was caused by a misunderstanding of what was being proposed - but I believe that they are of the opinion that perhaps there should be a delay in the program so that there can be a better understanding of what is intended. Is the Minister in a position to tell me if this policy is going into effect or is it not going into effect?

MR. CRAIK: Well, I don't know offhand whether they have been meeting with the committee that has been setting up meetings in the FRED area in the Interlake area or not. They may well have been. Does this come under the FRED area?

MR. GUTTORMSON: Yes.

MR. CRAIK: It could well be that they -- you see there have been some public meetings held there by this group on land classification by the FRED group and our own department. There have been meetings held there. Now maybe I can discover whether or not they have actually made representation on this.

MR. GUTTORMSON: Well, there was a meeting held, I believe several meetings, and I attended one of the meetings and the impression was left that the decision would be forthcoming by the end of March. This was the impression left at the meeting. I think a fellow called Chambers was the speaker for the government.

MR. CRAIK: I can't give you any more specific answer than that right now. I'll get it for you though.

MR. GUTTORMSON: There is some information I would like to get. Do you want to leave this item open then?

MR. CRAIK: . . . return it before we get to wildlife, it still comes under that.

MR. GUTTORMSON: Well, providing we are able to proceed with all the points at that time I don't mind, but there are a number of questions that I have to raise and I'd like to do

(MR. GUTTORMSON cont'd.) so at some time during your estimates.

MR. CHAIRMAN: (Resolution 65 passed.) Resolution 66-3 (a)--passed, (b)--passed, (c)--

MR. MOLGAT: Mr. Chairman, under this item, which is the development of mines, could the Minister indicate exactly what has been used in his program for mining incentives which is applicable to that section east of Lake Winnipeg, which I think is the only portion that has been declared under the Mining Incentive Act.

MR. CRAIK: That amount of money is actually included in No. 11 under Natural Resource Projects.

MR. FROESE: Under (c), Mines, could we have some statement from the Minister as to whether the gold mine at Bissett is now a profitable venture or what is the situation? We notice at one time the government made them a considerable loan and there have been some repayments I understand, but I think we should have a little more knowledge of what the situation is. After all, we at that time felt we had to step in and save the mine for the people up there otherwise they would have to go on welfare. What can we expect in the future? How long is this going to proceed now and what is the situation? Can we hope for several years of -- and with the price of gold probably increasing, will it be a profitable venture in its own?

MR. CRAIK: Mr. Chairman, it's pretty difficult to speculate on what their future may be depending on the price of gold. As I mentioned in the opening statement, unless the price of gold on the open market went above \$48.00 an ounce Canadian, there is no advantage to a gold mine selling on the open market. The price is considerably below that at the present time, so that I would imagine they are in the same financial condition that they were before, that is they sell to the Canadian Mint at that price. Now this means that their income per ounce is fixed, but like everything else I think their costs of production have been going up, and unless they can modernize through better equipment or find a better grade of ore in the mine, then there is not much likelihood that they will reach a better profit position as he mentions. Whether or not they have this at the present time I couldn't tell you, but in terms of the government's position with them, the loan which was originally made to them is paid off with the exception of \$71,000-odd dollars, and that's from the initial total, I think, which was \$250,000.

MR. FROESE: A further question. Have they been able to get increased share stock as capitalization into their company since this was done by the government or is it still at the same rate? I think this would then, in my opinion, indicate that there was promise and that the people had confidence and that they would make this a going venture.

MR. CRAIK: Well, I think maybe the fact that it is still open several years after the loan was made and still employing people is testimony to the fact that there was a certain degree of success in keeping it open. What their future position will be would only be speculation on my part.

MR. PAULLY: Mr. Chairman, I believe this is the area in which oil exploration is coupled with mines; is that correct? I would like to ask my honourable friend the Minister, and I appreciate the fact that he wasn't here, back in 1962 I believe it was, when the Throne Speech made reference to oil exploration on Hudson Bay. It did make reference to it this year that we were anticipating possibilities of oil developments in the area of Hudson Bay, and some five or six or more years ago the Throne Speech at that particular time referred to the start of explorations. If I remember rightly, the name of the first at that time was called Sogepet or some similar name, I may not have it proper. However, the Minister at that particular time with loud gusto, of course this is typical of government, informed the House that oil exploration was going to be processed in the Hudson Bay, and I note that in the annual report for the period ending March 31, 1967, on Page 9, reference is made to exploratory drilling in Hudson Bay and the terminology used in the report is, and I quote, "The first exploratory drilling in the Hudson Bay area began in September" - I presume that's September 1966 - "and the possibility of finding oil or gas in this new area may attract further investigation."

Now in view of the fact that we had a similar reference away back in 1962, I wonder if my honourable friend can indicate to the committee how much we can place in the statement that we now have to consider almost a year ago from now. What have been the results insofar as the exploratory drilling in the Hudson Bay, and have there been any further investigations result from the attractiveness of the drillings that took place almost a year ago? What is the

(MR. PAULLEY cont'd.) situation really in that particular area in respect to mine drilling?

MR. FROESE: Mr. Chairman, having to do with the same matter, I have a few questions having to do with the offshore mineral rights. Apparently this is in dispute with the Federal Government and some provinces took very strong exception to the Federal Government's stand. What is the situation here in Manitoba? Are we joined with other provinces on this matter or are we just letting things go by and not taking any action whatever? And then too, is there any exploration going on in connection with offshore rights?

MR. CRAIK: Regarding the oil in Hudson Bay, the Honourable Leader of the NDP mentions what results have there been. As I mentioned the other day in the House the hole was drilled between 1966 and was completed in 1967, last summer, and I suppose geologically the findings from the cores were promising. Obviously, they didn't discover oil. There are traces or whatever -- I don't want to use language that misleads, but they were encouraged by the results that they got from it. They are continuing on with -- that particular hole was drilled in Manitoba on Manitoba territory and the investigations are continuing. The most promised though is in the Bay itself, because the oil bearing structure actually increases in depth as it goes out into the Bay, so most of the exploration work immediately anticipated will be in the Bay itself and that will be the sizing program they carry on in the Bay.

With regard to the question of the Honourable Member for Rhineland regarding offshore rights, this is not completely settled yet. The decision that was made by the Federal Government as set down by the Supreme Court indicated that it applied particularly to the Pacific Coast and presumably might apply to the Hudson Bay as well. The difference is though that Hudson Bay has been classified to date as territorial water, meaning that it comes under the jurisdiction of the Federal Government. The question is not -- it has been a legal question; the answer is there in terms of legal ruling. Whether or not this is the final and ultimate answer we don't know.

Another question is with regard to what is Manitoba's boundary here. Manitoba's boundary is set out in the original -- whatever the date was when that part of the area was finally classified as being Manitoba -- and it simply reads that the boundary is from the point of intersection of the land boundary with the Bay and then running north along the shoreline of Hudson Bay to the 60th parallel, or the parallel that is the top of the province. So if you read it literally, it's the shoreline. Then the question comes in, what is the shoreline? Is it high water or low water tide? This may sound like rather a picayune point but it isn't. On the flats of the Hudson Bay, the difference of the high tides that are in there mean a horizontal difference of something like ten miles in some places, and tentatively we have -- at least there seems to be agreement that low water is the shoreline in terms of the one definition anyway, which is in our favour.

MR. PAULLEY: Mr. Chairman, can I take then from the Minister's reply to the question as to exploration in Hudson Bay that actually there was nothing of any tangible nature done between 1962 until the time referred to by yourself just now and as referred to in the report of the department?

MR. CRAIK: Well 1967 was the completion of the last hole, but there is still quite a bit of activity in there.

MR. PAULLEY: There was nothing in '62 then?

MR. CRAIK: Well, in terms of drilling or . . . ? The 3,000-foot drill hole was '67.

MR. PAULLEY: Mr. Chairman, I want to assure my honourable friend I'm not attempting to put him, as the new Minister, on the spot, but there were, as referred to by the Leader of the Opposition a few moments ago, a previous predecessor in your particular position -- (Interjection) -- many of them is correct; and it was them, coupled with the then author of the Throne Speech, that led to these glorificent references in the Throne Speech, and I just wanted to ascertain that their references didn't bear any fruit until 1967.

MR. CHAIRMAN: Resolution 66--passed. Resolution 67. 4 (a)--passed . . .

MR. CAMPBELL: Mr. Chairman, in regard to Resolution 67, and dealing with (a), there has been a reduction here in the number of salaried people. Could the Minister tell us the circumstances under which this reduction takes place? Is it a policy to reduce the staff here or are there retirements, or what is the reason? I'm still interested because I have the feeling that the survey work is still very much needed in the Province of Manitoba, and even if some of the major programs have been completed, such as mapping of boundaries and things

(MR. CAMPBELL cont'd.) of that kind, that there's lots of work to be done even in the settled parts of the province, and I think the Honourable the Minister would find, Mr. Chairman, that a good many of the municipalities, and perhaps other departments of government as well, are concerned over the fact that valuable monuments are being lost at times because of public works that are being carried on. I believe that the surveyors' own organization is quite concerned about this. In view of that situation I am wondering about the reduction in the number of people in this department branch.

MR. CRAIK: It's true that some of the major programs have actually come to completion and that there has been a let-up here, not only because of this, but because of the fact that some of the surveys that are being done in the north are using the more modern equipment, the telerometer and so on that we hear tell of that doesn't require the line cutting and other hard labour that was required previously. As a result of this, there has been a let-up in the requirements in the Surveys Branch, but the total reduction in number here is not significant and if I sort this book out I can probably tell exactly what it is.

MR. CAMPBELL: Some 34 to 30, according to the figures that were supplied to us. Would that reduction be through retirement or were there actually dismissals?

MR. CRAIK: I can't tell you the answer. I'll get it for you.

MR. CHAIRMAN: (a)--passed; (b)--passed; (c)--passed. Resolution 67--passed. Resolution 68 (a)--passed; (b)--passed . . .

MR. FROESE: Mr. Chairman, just what are the programs under Field Operations for, say, No. 2 the Southern? I'd be interested to hear just what program is being carried out.

MR. CRAIK: Which number?

MR. FROESE: No. 2.

MR. CRAIK: Pardon me. Are we on -- which number are you referring to?

MR. CHAIRMAN: We are on Resolution 68 - (b).

MR. FROESE: Oh, sorry. I referred to 69. I'm sorry.

MR. CHAIRMAN: (c)--passed. Resolution 68--passed. Resolution 69 (a) (1)--passed; (2)--passed; (3)--passed; (4)--passed. Resolution 69--passed. Resolution 70 (a)--passed. . .

MR. FROESE: Mr. Chairman, I couldn't follow you there. You mentioned (a) (1) and you went down to (4). I thought . . .

MR. CHAIRMAN: Oh, I beg your pardon. I'm in error here. We're back on Resolution 69. (b) (1)--passed.

MR. FROESE: Well here I'd like to ask the Honourable Minister the question I put him before, whether he could give me some indication as to the program under No. 2 Southern.

MR. CRAIK: The southern -- now what do you mean exactly by program here? The southern region includes all across the southern part of the province, the conservation officers and the general region -- well, this is primarily the conservation and forestry in the south-east.

MR. CHAIRMAN: (The balance of Resolution 69 was passed.) Resolution 70 (a)--

MR. GUTTORMSON: When can we expect the Fish Marketing Board to go into effect?

MR. CRAIK: Well, I think we've discussed this before. I hope it's in effect in early 1969. I would hope it would be in effect before then but my realistic answer is early '69.

MR. GUTTORMSON: During the 1969 fishing season then, after January, you would expect it would be in operation. Is that correct?

MR. CRAIK: It would either have to come in before the summer season or before the winter season to be effective. Before either of the two seasons. I would think after the winter season in early '69, a year from now.

MR. CAMPBELL: Mr. Chairman, before we go to vote 70, we had last year the Canada Land Inventory, I think occurred at about this place. Is there any report to be made with regard to it? I see no estimate for it in the present year's estimates.

MR. CRAIK: Well, it's very much a part of our operations here. I'll have to look for it here and find the answer. The answer to your previous question, incidentally, about the four personnel is that they're transferred to another department out of Surveys. It wasn't retirement or lay-off; it was a transfer.

With regard to the Canada Land Inventory program though, this was to have been a program paid for entirely by the Federal Government. The amount which was designated for this year was \$500,000 and we received notice from the Federal Government some short time back that our initial indication was that they were cutting us back to \$290,000, which left us in a

(MR. CRAIK cont'd.) considerable dilemma because we had just gotten to the point where we had built the staff up and the operation to the point where we could do some fairly productive work this year. We're still in negotiation with them; we're not back up to the \$500,000 yet. If we don't get there, we're going to have to make some changes, either lay-offs or changes, because we're not in the position because this is their program that they set up. We're simply administering it but we haven't got it completely settled yet. Now I think the amount should be here and I'll . . .

MR. CAMPBELL: What I was really wanting, Mr. Chairman, of the Minister was a report on the work of the year which ended yesterday. We're now into the right year that we're discussing on these estimates but the program for the year that we just finished yesterday was also pretty nearly a half million dollar program, and I would like to know just what was accomplished under that program, what work took place and what results were obtained.

As far as the Federal Government giving my honourable friend some cause of concern about cutting back programs, I'd like to give him a word of advice: Don't be too discouraged about the Federal Government pulling the rug out from under you once in awhile because that's been going on as long as I've been in this House, and it will continue to happen, and you'd better be pretty wary about programs that you go into. It doesn't matter too much what government is in office in Ottawa and it doesn't matter too much whether they are of the same political affiliation or a differing one from the one that's here. They do these things to you once in awhile anyway. They've happened pretty often, and I'd suggest to my honourable friend and any of his colleagues that, when you go into one of these deals with the Federal Government, go in on the same basis that you would do when you're given accommodation backing to one of your friend's notes. Be prepared to pay for it. If you've got the money to pay for it anyway, okay; otherwise you'll probably find yourself financially embarrassed some time. But they were in it last year, I understand. There was pretty nearly a half a million dollars voted for it, and I would be interested in just what was accomplished under that program.

MR. CRAIK: Well, the completed to date since July, 1966 - the Field Studies Maps and Reports are being completed now on the following land areas and if I might just go over these: Agricultural areas, out of the total of 57 million acres, representing 35 percent of the area; Forestry, 7 million acres, representing 13 percent of the area; Recreation, representing 7 million acres, 13 percent of the area; Sport fishing, 25 million acres, representing 45 percent of the area; Wildlife, 8 million acres, representing 14 percent of the area; and present land use areas, 10 million acres, representing 18 percent of the area. I somehow suspect that that's not the answer you wanted but it may be part . . .

MR. CAMPBELL: . . . the answer my honourable friend wants either. Mr. Chairman, I don't want to hold up the estimates. My honourable friend's been on quite a while and perhaps he would be willing to prepare a report that could be available to all members of the committee that would tell exactly what was done. I notice the percentage that he gives here, percentages of the different areas, but exactly what was done in those areas -- and if he'd file a report with the committee that would satisfy me.

MR. FROESE: Mr. Chairman, under Resolution 70 we find that there's \$5,000 earmarked for Canada-Manitoba ARDA agreement. On the previous page I find also an article under Conservation Education of \$46,000 for Canada-Manitoba ARDA agreement, and in Forestry we have an item. Just what is it that the Canadian Government pays for under these agreements? Under Fisheries, is it a matter of getting a Fish Marketing Board, or what is the money supposed to be spent on? I also note there is nothing mentioned here for a Fish Marketing Board. However, when you turn to Agriculture under Marketing Boards, you find that the allotment has been doubled from \$11,000 to \$22,000. Is this for this purpose or where do we find an item that will cover the cost of the Marketing Board, as you mention that it will very likely go into effect before this current year is over. Where do we find an allotment for this?

MR. CRAIK: Regarding the Marketing Board, there's no specific amount set aside for it in this budget. The plans for the Marketing Board are in general that it would be a self-sustaining board and would not require financing. As a result, it's not included in government estimates.

With regards to the amount of money shown in Fisheries here, reduction from \$45,000 to \$5,000, the decrease is because -- or last year's amount would be primarily for the trawler that was on Lake Winnipeg on the experimental program for trawler fishing on Lake

(MR. CRAIK cont'd.) Winnipeg. This is not included here this year.

MR. GUTTORMSON: Mr. Chairman, earlier in the estimates I asked the Minister about the pilot project that was to be set up a few years ago, I believe it was north of Riverton. This plant was for rough fish. Was it ever established or what happened?

MR. CRAIK: The plant was primarily to tie in with the trawler operation for processing of the rough fish. The trawler operation was not a significant success. In fact, it didn't live up to its expectations, and as a result the building that was there was not used for the purposes for which it was intended. It is at the present time, I think, being used for storage.

MR. GUTTORMSON: So the rough fish processing plant that was announced in this House never went into effect, then?

MR. CRAIK: Well, if that's the same one you're referring to in conjunction with the trawler program, it didn't.

MR. GUTTORMSON: Well, the one I'm referring to is the one the Minister announced, that in an effort to assist the fishing industry a rough fish processing plant would be established in the Interlake, and there was quite a bit of publicity about it. I believe it was the present Attorney-General who was the Minister of that day and we've never heard any more about it. Is the Minister telling us that it never was proceeded with?

MR. CRAIK: Well, as I mentioned, the building was put up for it. This was part and parcel of the trawler experiment on Lake Winnipeg but the trawler didn't produce the fish. The building is actually being used now primarily for storage. It wasn't used as a processing plant.

MR. GUTTORMSON: Where is the building located and what was the cost of building it?

MR. CRAIK: Did you say where is its location?

MR. GUTTORMSON: Yes.

MR. CRAIK: Well I guess it's at Riverton. I don't know the exact location. It's either Riverton or Matheson Island. I'm not sure what the location is but I'm sure we can find out. -- (Interjection) -- I think so.

MR. GUTTORMSON: No, Mr. Chairman. Is the Minister making any effort to help the fishermen get rid of the rough fish? This is one of the major problems on the lake. The rough fish is the fish that's hardest on the nets of the fisherman and yet he's not getting any price for it and certainly something should be done to help the fishermen with respect to the rough fish. I told the Minister the other night they're lucky to get one or two cents a pound for it, and to make it an economical operation they'd need at least five cents a pound. I don't see why some effort isn't made to try to utilize this fish because it certainly would help the industry. I know this winter I took a trip right out onto the lake to watch the operation and the bulk of the fish that they were pulling out was rough fish, and they make an awful mess of the nets.

MR. FROESE: Mr. Chairman, we've had a lot of talk on the Fish Marketing Board. If this is going to be an independent board, if we're not going to be in it as a government, and we certainly do not allocate any money to it, why cannot it be set up as of now? Why does it depend on the government then to get a fish marketing board going if it is going to be an independent board and if we are not going to subsidize it in any way.

MR. CRAIK: Well, it's always been -- I think it's always been the hope that it would be a regional board, that is, the prairie provinces and northwest Ontario, because this is -- the flow of fish has no particular respect for provincial boundaries and unless you have reasonable control of the total fresh water catch going into the American market, then your plans are not as likely to be as successful as they would be if you do it on a partial basis, taking Manitoba alone. So this is why the aim has always been, the priority has always been to make it a regional board rather than a provincial, and hopefully we will have no problems and the indications are that it is agreed to in principle and that there will be no major problems now in having it set up. It's intended that it be self-sustaining, not subsidized by the government but will be self-sustaining, will control the flow of the fish to the market and develop the markets because you now have the collective and concentrated effort of the whole industry to enhance the sale of the product in the United States where the bulk of it goes. I should point out that the fresh water fish from Manitoba, or from the fresh water area in central Canada, commands a prime price in the United States, and the whole objective is to get a greater control of the American market.

MR. FROESE: Mr. Chairman, is this then not a matter, just an inter-provincial matter between the provinces of Manitoba and Ontario? Why do we have to depend on the Federal

(MR. FROESE cont'd.) Government? Or is it particular legislation that you are anticipating or waiting for, and would it require supplementary legislation here from this province in order to set up such a board?

MR. CRAIK: Well, it's certainly most desirable to have the Federal Government involved. You don't have the future problems of expedient political action being taken by any one of the provinces once it's set up, and I think this is the major aim of it.

MR. GUTTORMSON: Has any consideration been given to using some of the ARDA funds towards a fish processing plant. Not just for Lake Winnipeg - for the Lake Manitoba fishermen, Lake St. Martin. If private industry isn't prepared to go into this field, then why don't we use some of the ARDA funds? This would certainly help the fishermen and the fishing industry.

MR. CRAIK: The ARDA funds were used on this project which you were making prior reference to. This was under ARDA financing, the trawler program and the rough fish processing plant which was tied in with it, and ARDA funds are being used in the studies in the Interlake area which do involve the fishermen.

MR. GUTTORMSON: There's certainly lots of rough fish in Lake Manitoba. They were never given an opportunity, to the best of my knowledge, to send their fish to this plant.

MR. LYON: In Lake Manitoba you have lots of carp, as everybody who is familiar with Lake Manitoba knows. And for a number of years carp has been hauled out by the ton from Lake Manitoba either to the rough fish plant in Selkirk or the other location, the commercially operated ones, or some of them, as I am informed, and I'm only going on hearsay, were being sold in recent years in the edible fish market at reasonably good prices. They've had a very successful program of keeping carp out of the Delta Marsh area with the assistance of Ducks Unlimited and other groups, and certainly carp has been harvested out of Lake Manitoba for a good number of years; sold in various places. It started off at a very low price and I understood they were getting more money recently, but I haven't caught any recently. I don't know.

MR. GUTTORMSON: Well what about the mullets that they haul out by the ton on the various creeks all along the shores of the lake? Was there no consideration to processing these?

MR. CRAIK: . . . if I can answer your previous question. The location of the building is at Islandview.

MR. GUTTORMSON: I can't -- speak into the mike.

MR. CRAIK: The location of the building that you're referring to is at Islandview opposite Matheson Island. I don't know what the cost was. If you want to find out I can . . .

MR. GUTTORMSON: . . . a message upstairs again and find us the cost?

MR. FROESE: Mr. Chairman, year after year we come up with this matter under this department about fish and fish marketing. I am not such a proponent for marketing boards, not by any means, but I would like to certainly get to the real reasons behind all this. Why do we have to come up with this matter and . . .

MR. CHAIRMAN: I wonder if we could have just a little less noise in the Committee. It's pretty difficult for the Minister to hear what the members opposite are saying. Proceed.

MR. FROESE: I would like to know from the Minister what are the real objections. Is it within this government here or is it within the Federal Government? Where are the objections? Why can't we go ahead with this? It seems to me we've come to this matter every year and have a discussion and that's where it all ends. Let's come down to the facts and let's know what the objections are so that we can either deal with it or forget about it completely and not have this discussion every year all over again.

MR. CRAIK: I trust that next year we won't have it.

MR. CHAIRMAN: (a) --passed.

MR. GUTTORMSON: Mr. Chairman, is the Minister going to provide us with these answers tonight then, when we pass the item or . . .

MR. CRAIK: . . . your last question. I think I missed the honourable gentleman's last question when I was looking up the Islandview answer here. What was that one?

MR. GUTTORMSON: . . . cost of this building that was constructed initially as a fish processing plant?

MR. CRAIK: . . . supply it tonight if that's satisfactory.

MR. GUTTORMSON: Are you going to call it 5:30, Mr. Chairman?

MR. CHAIRMAN: ... you have something more on this item?

MR. MOLGAT: Mr. Chairman, I think I have a question outstanding from my opening comments with regard to the policy of the government relative to sport fishing and commercial fishing strictly in the northern areas; whether they have established a policy, and if so what that policy is.

MR. CRAIK: The policy in the northern areas was that no further lakes would be designated as commercial lakes alone. If that's the question that you're asking. In the northern area there was a policy established that there would be no further lakes open for purely commercial fishing; that they would be combined lakes. Anywhere there was a lake opened for commercial it would be combined sport and commercial.

MR. MOLGAT: The problem of the people in the tourist industry is that they would like some lakes reserved for sport fishing. Now, has the government conducted any studies in this regard? Has it ascertained what is the economic value of sport fishing versus commercial fishing, and are there areas where instead of having people trying to struggle along on commercial fishing, would they not be better off acting as guides or working in tourist establishments and developing the tourist aspect instead? What studies have gone on into this and is the government prepared, where a tourist operator is willing to put in an investment, to employ local people, would the government consider establishing a pure sport fishing lake?

MR. CHAIRMAN: I call it 5:30. I leave the Chair till 8:00 o'clock.