

## THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 p.m. Thursday, March 31, 1966

MADAM SPEAKER: Before the House rose at the supper hour, the Honourable Member for Gladstone indicated he would like to ask a question. Would the Honourable Member like to proceed?

MR. SHOEMAKER: Madam Speaker, I was just going to ask a question and then adjourn the debate, if I could do that.

MADAM SPEAKER: What is your question, please?

MR. SHOEMAKER: The question that I was going to ask my honourable friend, inasmuch as he attempted to establish that the cost of living in Manitoba was - well less than any province in Manitoba and a great deal of the rest of this continent, can we look forward to an influx of people to this province? That was the question.

MR. COWAN: Well, Madam Speaker, I don't know as we can look for an influx of people to this province because there are no indices to show that the cost of living is lower here, but we had some examples this afternoon with regard to the lower cost of taxes and telephones and hydro, and we know that it's easier in Manitoba for the average person to get a summer cottage. I think that on the whole a person would find that - and without the sales tax - that the cost of living is lower in Manitoba, and people that have come from outside of Manitoba to live here are surprised at the low cost of some of the necessities of life.

MADAM SPEAKER: The Honourable Member for St. John's.

MR. CHERNIACK: Madam Speaker, I beg to move, seconded by the Honourable Member for Logan, that the debate be adjourned.

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

MADAM SPEAKER: The adjourned debate on the third reading of Bill No. 44. The Honourable the Member for St. George.

MR. STEVE PATRICK (Assinibola): Madam Speaker, in his absence, may we have the matter stand please?

MADAM SPEAKER: Committee of the Whole House. The Honourable the Minister of Education.

MR. JOHNSON: Madam Speaker, I beg to move, seconded by the Honourable the Minister of Health, that Madam Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider Bills; No. 47 standing in my name, and No. 5 in the name of the Honourable the Provincial Secretary.

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

COMMITTEE OF THE WHOLE HOUSE

MR. CHAIRMAN: (Bill No. 47 was read section by section and passed.) Bill No. 5.

HON. MAITLAND B. STEINKOPF, Q. C. (Provincial Secretary) (River Heights): Mr. Chairman, on Bill No. 5, there are a considerable number of amendments that will be presented to the House. I'd like to know if the House is ready to proceed with the bill; if not, we'd be willing to adjourn it. I'll have the amendments distributed in a few moments.

MR. M. N. HRYHORCZUK, Q. C. (Ethelbert Plains): Mr. Chairman, we wouldn't have any objection to proceeding with it, as far as we're concerned if the amendments are not very substantial - that is, if we could have a minute or two just to glance at them and see what they're all about, because I certainly wouldn't want to make a commitment that we'll go along without having a chance to read them.

MR. T. P. HILLHOUSE, Q. C. (Selkirk): Mr. Chairman, I don't know if the Honourable Member for Ethelbert realizes how many sections there are in this bill and how many amendments went through to this bill; but it would appear to me, Mr. Chairman, the most practical way to handle this would be to hold it in the committee, distribute your amendments, and then set aside a specific period of time to deal with it, because I'm quite satisfied that if the members of the committee want to go through this bill section by section, that it would take at least a couple of full days, and I think if the bill is of such importance, I think it is worthy of the fullest possible consideration of every member of this committee, and I would therefore suggest, if it's in order, that the bill be held in the committee and brought up for consideration at a later time.

MR. STEINKOPF: Well that would be agreeable to us, Mr. Chairman, but we will distribute the amendments now and I'd ask the members to keep them because it's quite a big job to get them all together and to have them the next time the committee meets.

MR. CHAIRMAN: . . . . . the bill remain in committee? Agreed? Committee rise. Call in the Speaker. Madam Speaker, the Committee wishes to report that Bill No. 47 has been adopted without amendments and requests leave to sit again.

IN SESSION

MR. COWAN: Madam Speaker, I move, seconded by the Honourable Member for Pembina, that the report of the committee be received.

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

BILL No. 47 was read a third time and passed.

MADAM SPEAKER: The adjourned debate on the proposed motion of the Honourable the Member for St. Boniface.

This afternoon the Honourable Member for St. Boniface brought to my attention that it is reported in Hansard -- or in Votes and Proceedings No. 39, on Page 3, that the Honourable Member for St. Boniface had spoken. In Hansard, on Page 1420, you will note that I presented the motion, the Honourable the Minister of Industry and Commerce spoke, and the Honourable Member from St. Boniface spoke. He said, "Madam Speaker, we think that the Provincial Government created this board or this association, and certainly, if we gave it a grant, we certainly must have received the annual budget of the association." Strictly speaking, at this point, I should have stopped the debate and stated that the honourable member, if he spoke, would be closing the debate. The honourable members will appreciate that at times like this, I do not realize whether the honourable members are asking a question or speaking. However, I did not step the debate; I did not apprise the House; so I will ask the Clerk of the House to expunge the name of the Honourable Member for St. Boniface from the report on Page 3 of Votes and Proceedings No. 39.

The Honourable the Member for St. George.

MR. PATRICK: Madam Speaker, in his absence, may we have this matter stand please?

MADAM SPEAKER: The adjourned debate on the second reading of Bill No. 37. The Honourable the Member for Selkirk.

MR. HILLHOUSE: Madam, when I heard the announcement in the Throne Speech that it was the intention of the government to introduce legislation designed to improve the philosophy and operation of the correctional system in Manitoba, I was pleased at that announcement. But I must say, Madam, that I'm disappointed at the delay in bringing this legislation before the House, and I'm also disappointed at the announcement made by the Honourable Attorney-General when he stated that this bill would be referred to a Special Committee of the House -- and I believe that he named the Committee on Statutory Rules and Regulations -- to be considered during recess. Now I would have no objection to that step being taken if this were not what everyone considers to be an election year. And I don't think we have any assurance that if this bill is referred to this particular committee that this committee will even sit; or if it does sit, that it will ever be able to report back to the next session of this Parliament, because we may find at the end of the present Session that this Parliament will be dissolved.

Now I feel, Madam, and I have expressed myself along these lines on numerous occasions, that any matter as important as the subject matter of this bill is something which should be dealt with in a leisurely manner, not in a rushed way, and I think that it should be approached too, Madam, in as non-partisan an attitude as possible. I have in the past, I think on at least two occasions, suggested to the Attorney-General that legislation designed to deal with our correctional system, or to deal with juvenile offenders, or to deal with any offenders for that matter, and the types of institutions that we should bring into being in Manitoba, can only be devised where there is the freest possible discussion, unrestricted and untrammelled by any political thoughts. In other words, Madam, I feel the committee that should sit on this matter should be as completely non-partisan as possible, and although I do accept the principles embodied in this bill, I still feel that this bill in a great number of respects is sadly lacking in some of the matters with which we will have to deal in Manitoba if we wish to institute into Manitoba a correctional system worthy of the name.

In some respects, Madam, I think that this bill is actually an exercise in euphemism, and I refer to the fact that we're dealing -- we call it The Corrections Act; that's the short name for

(MR. HILLHOUSE, cont'd) . . . The Corrections Act. We say in this Act that the institutions known as Headingley Jail, the Vaughan Street Detention Home, The Women's Reformatory at Portage la Prairie, will no longer be known by these names but will be known as correctional institutions. Now Madam, I don't see how you can change the nature of these institutions simply by changing the name. These institutions are so far behind the play that it's hard to believe that they are part of this century. So I therefore feel that when we go ahead and say that this bill will be known as The Corrections Act and that henceforth these institutions that we have today will be known as correctional institutions, to me that's only an exercise in euphemism, because it doesn't mean a thing.

Now we take a look at Part 2 of this bill which refers to a family court. Now this is not a new concept in Manitoba, Madam. It's perfectly true that there may be no statutory authority for the use of the expression "Family Court" in Manitoba, but we have for a number of years, for the past ten years to my knowledge, called the Winnipeg Juvenile Court, the Winnipeg Juvenile and Family Court, and that is the name under which it operates; that is the name under which all its summonses and informations are issued. So as far as the concept of a Family Court is concerned, it's nothing new, and nothing is achieved by calling these courts family courts, because in my opinion, the expression "Family Court" as it is used today, is a complete misnomer; and the expression "Family Court" which is going to be used in this Act is just a perpetuation of that misnomer, because the Family Court which is going to be instituted or devised under this Act, is nothing more or less than the Winnipeg Juvenile Court or the juvenile courts as they exist in Manitoba today. It's nothing more than a magistrate's court, because it is going to deal with the same jurisdiction as these courts deal with today. Now my idea of a Family Court is this - and I think it is pretty nearly time that we did something towards establishing such Family Courts - my idea of a Family Court is a court where marital difficulties could be ironed out in an informal way, but the concept of a Family Court as envisioned by this Act is nothing more or less than the present Juvenile Court, a present Magistrate's Court, and any court in Manitoba which deals with matters under The Juvenile Delinquency Act, The Child Welfare Act, The Wives and Children's Maintenance Act, The Reciprocal Enforcement of Maintenance Orders, and The Parents' Maintenance Act and such other Acts or matters as the Lieutenant-Governor-in-Council may designate. So my point is this, that calling this institution a Family Court certainly doesn't make it a Family Court. It doesn't change its essential nature in one iota. It still exercises the same jurisdiction as it has in the past.

Another part of this Act, I think it's Part 11, is it, or -- yes, Correctional Institutions. Now what is a Correctional Institution under this Act? To me Madam, this is a big joke. Section 30 says: "On, from and after the coming into force of this Act, any buildings and premises now in use as or declared to be common jails, shall, until otherwise ordered by the Minister, be known as Correctional Institutions in and for the province." Now Madam, we haven't got one institution in Manitoba today which could be properly designated as a correctional institution. We still have the old-fashioned jails and we're still so far behind the play that it's not even funny.

There is another section of this Act - this Work-Release Program. Now I believe that that is a sound concept but I would ask the members of this House to bear in mind the fact that this Act only applies to those statutes over which we have jurisdiction in Manitoba. In other words it only applies to provincial statutes; it doesn't apply to any federal statute nor does it apply to any offence that's been committed under the Criminal Code of Canada.

Now, as I say, this Work-Release Program I think is a good concept, and I think it's something that should be given the serious consideration of this House, but I would like the members of this House to bear this fact in mind that since this Act is only dealing with provincial offences, and since on the basis of the last report from Headingley Jail that I saw, the average stay in that institution is seven days, now what practical effect or what practical value is this Work-Release Program going to have in respect of individuals convicted of offences under provincial Acts. I can't see it, and I think that what the Minister should do is give us a breakdown of the number of individuals over the past number of years who have been convicted of offences under provincial Acts, giving us the average stay in the institution to which they were committed, and by that means we could find out whether or no this part of the Act would have any real practical application.

HON. STERLING R. LYON, Q. C. (Minister of Mines & Natural Resources) (Fort Garry):  
 . . . if the honourable member would permit a question? Did I hear him right when he said that the average stay in Headingley Jail was seven days?

MR. HILLHOUSE: That was the last report because I remember one time in this House when we were arguing on the question of more vocational training or manual training in that House - under provincial statutes - so this Act only applies to provincial statutes, so what earthly use is a Work-Release Program where the average stay of a person convicted of an offence under the provincial Act is only seven days?

Now another thing that I think we would have to know here is what are the terms and conditions of the Work-Release Program, and any other information which would help us or assist us in reaching an intelligent decision as to whether or no this Work-Release Program would have any practical application or effect in the Province of Manitoba.

Now as I say, Madam, I would like to have seen a committee of this nature set up; I would like to have seen such a committee set up in the early part of the Session; and I would like to have gone into all questions, particularly in relation to juvenile delinquency, because there are a lot of matters in my opinion which are crying out for change. Take for instance the definition of a juvenile delinquent. Now a juvenile delinquent in Manitoba is any person under the age of 18 years of age who has been committed or convicted of a breach of any municipal bylaw, any provincial Act or any federal Act. Now I have always felt, Madam, that the expression "juvenile delinquent" today has a very odious meaning and connotation, and its meaning and connotation is entirely different to what was intended at the time The Juvenile Delinquency Act was passed. And I think the time has come for us, as a province, to take a look at The Juvenile Delinquency Act, notwithstanding the fact that it is a federal statute, and making such representations to the Federal Government as we deem advisable, regarding whether or no we accept that definition of a juvenile delinquent or whether or no we feel in Manitoba that we should be given the right to set up a separate court, say to deal with offenders under a certain age, say from 12 and under, and have the offenders from 12 to 16 or 12 to 18 dealt with in the Juvenile Court. But I still feel this and I feel very strongly that the definition of a delinquency should be changed, because today the name "juvenile delinquent" does have a very odious meaning and connotation and there's a lot of youngsters today who are guilty of delinquencies and they are guilty of nothing more or less than breaking some municipal bylaw or statute, maybe riding a bicycle on a sidewalk, and I think the time has come we should separate these offences so that when we refer to a juvenile delinquent we are referring to somebody who has been guilty of a breach of the Criminal Code and not of a breach of some provincial statute or municipal bylaw.

Now there's a whole lot of matters that we could deal with. The Canadian Correctional Association in 1963 published a book, "The Child Offender and The Law," and there's a great deal of information in this book which this committee, if it were ever set up, could deal with, so that we could take the first steps in Manitoba in introducing into this province a code or a blueprint or a guide for the treatment of all offenders regardless of their ages. For that reason, Madam, I'm sorry that there has been a delay in bringing this legislation before the House, and I'm sorry too that we have no assurance that if this bill is given second reading and is referred to a committee, that that committee will live long enough to deal with it, or if it does live long enough to deal with it, whether it will be able to report to this Parliament; and I think that before we proceed farther in this matter we should be given an assurance by the Attorney-General or somebody on behalf of the government, that if this bill is given second reading and referred to the Committee on Statutory Rules and Regulations, that there will be another Session of this Legislature to which that committee could report.

MADAM SPEAKER: The Honourable the Member for St. Mathews.

MR. W. G. MARTIN (St. Mathews): Madam Speaker, the Member for Selkirk has dealt very fully with Part 111 of this Act and has referred to Parts 1 and 11. I'm particularly interested in the Parts 1 and 11 and would like to address my remarks to that. I was very much interested in the remarks of the Minister in closing his speech upon presenting the bill for second reading, where he said: "Members will note that the bill provides that the Minister responsible for this statute will be the Attorney-General or such other Minister as may be designated by the Lieutenant-Governor-in-Council, so that as of the present at least it is intended that the Attorney-General should be responsible for the matters that are referred to here. It should be noted, however, that in other provinces other arrangements are in force. In some provinces, I believe the Minister of Welfare has the responsibility for correctional institutions. In the Province of Ontario they have a Department, I think it's called Department of Reform Institutions - and what I'm really wanting to indicate to the members of the House is that it is possible, so far as the provisions of this bill are concerned, that another Minister or

(MR. MARTIN, cont'd) . . . another department might be designated, and there's a good argument, I believe, to be made that perhaps the Attorney-General is not the correct Minister to have the administration of correctional institutions. We have it now and propose to continue until, of course, such time as it may be decided to alter that arrangement."

Well, Madam Speaker, I have a deep conviction that legislation concerning juvenile offenders should be administered under the Minister of Welfare and be a part and parcel of the Department of Welfare, because that Minister is dealing with so many pieces of legislation which are closely allied with the problem of delinquency. At any rate, we should not regard the children who are committed to these homes and schools as inmates of penal institutions, and we should keep the control, the legal hand, the legal control away as far as possible. And I for one believe, Madam Speaker, and hope that the time will not come when laws concerning juvenile delinquents and adult offenders shall be completely divorced.

The terms in the bill, several times the word "industrial" appears. I will agree with the Member for Selkirk when he refers to some sections or some aspects of the bill looking as though it doesn't belong to this century. Well that's my opinion with regard to the use of the word "industrial" as related to these schools to which children are committed, and in some jurisdictions they have long ago gotten rid of the word "industrial" and have supplanted it with the term "training schools" and that, I think, would be something that should be well worth consideration whenever the word "industrial" appears in this bill.

It was suggested the other day that perhaps there's nothing very new in the bill. In my opinion, Madam Speaker, there's a lot that's new and it represents a forward and advanced step. You take the Section 15 where it refers to a child being brought before a magistrate or a juvenile court judge, and before the judge, -- perhaps before he hears it but anyway before he pronounces sentence, that he shall order an inquiry and that the inquiry and assessment should be made by one or more of the following persons, and the persons are enumerated: a psychiatrist, a physician, a probation officer, a psychologist, a social worker, or any other suitably qualified person, for the purpose of assessing the emotional and physical condition and environmental circumstances of the child. The judge "may" do this, and "may" appoint one or other of these, or more. In my opinion, there are certain aspects of this should be mandatory. It should be mandatory to appoint a psychiatrist as one of the assessors, because the science of psychiatry is one of the methods of dealing with the problem of delinquency. It goes without saying, of course, that the physician should be there and they should have his examination. Certainly the social worker should be mandatory because so often in cases of juvenile delinquency the trouble is not with the child so much as the fault's to be found in a broken home. Very often lack of parental control, and sometimes the child is more sinned against than sinning, and the real delinquent is not the child but the parent, and so before any judge of a Juvenile Court should pronounce judgment or sentence in a case, there should be a complete report presented to him from the social worker. Now the way it's presented here, the assessment would be made to the Director of Corrections. I presume that's the same Director of Corrections that has to do with adult offenders. This isn't in the bill but perhaps in consideration of the bill we might even . . . something there, that the Director of Corrections should be a different person in Juvenile Court as it would be from the adult offenders. And then the Director, on receiving the report of the assessors, may order that the child be placed in a foster home or a group home or a training school or any other home or school centre most likely to meet the needs and insure the best treatment for the rehabilitation of the child. Then, I don't know where the Court of Inquiry -- which I think perhaps should be thought of in the best way as a Board of Inquiry or a Social Clinic -- where their work ends, but it seems the responsibility becomes that of the Director upon his judgment to transfer the child, say from a home to a school or from school to a home, and I take it that that would be done on the basis that they watch the progress and see how the child, the boy or girl is adjusting himself or herself to that situation. Then, in Section 20 it's pointed out that the Director can issue an order for discharge, or recommend a discharge of the child when he feels that their training has been satisfactory and they are ready to be returned to society, but I do hope, Madam Speaker, that in that consideration, they will also remember that they should have regard for what is the situation of the home. If it was a broken home before, then before the child shall be returned to that home, perhaps that should be taken into consideration in granting parole.

Now there's also suggested here that a Board of Inquiry -- and this Board of Inquiry has certain duties, and it also points out that the Board may recommend that the child be discharged -- this Board of Review -- all of which means, I presume, that there can be no determinate

(MR. MARTIN, cont'd) . . . sentence. That's exactly as it should be. Some people have an idea that a magistrate of Juvenile Courts can sentence a child to a certain term of confinement. According to this bill, and it's perfectly right as the Bill is presented, that should not be the case.

Then the rehabilitation work is mentioned very definitely - and I think in all these things we are showing tremendous advance - that upon completion of the term of custody, if the child has been taking some course of training and the course has not been completed, then the Director can arrange for the child to remain in custody until that course of treatment is completed. I would like to have seen something further than that, because in some jurisdictions there is a follow-up work, not when that course is completed, or when the child is returned to the home or placed back into the custody of society, but there should be a follow-up, an after-care work, to see how that child is becoming adjusted to the new conditions following his discharge from the school.

I think, Madam Speaker, that the bill is so very far-reaching in its scope and purpose that it should have more consideration than can be given within the limits of this present Session, and I thought it was a very wise suggestion on the part of the Minister that the bill, if it passes a second reading, should be referred to the Standing Committee on Statutory Regulations and Orders that they might take care of it, after prorogation. It may take a year; it may take two years; it may take longer than that; but the important thing is to come up with a piece of legislation which will do credit to us as a province in handling this important question.

So I consider, Madam Speaker, that the suggestion of the Minister, as he presented it, is good and I like also this idea, that if the bill passes a second reading, copies of the bill should be placed in the hands of organizations, welfare organizations, public-spirited individuals, in the hands of anyone that would be interested in dealing with this great problem, that they might come up with ideas that would be of value to the committee and to the Minister. The organizations do take a great interest. I have had some experience of course in another jurisdiction and I remember that when we were going to build a training school for problem boys and problem girls, that should be there perhaps instead of what was called then an Industrial School, that they should go to this training school, and the public were so interested that when it came to building a Boys School in Bowmanville, the citizens of the county provided the land; the Kiwanis Club erected one of the cottages. When we built the Girls School in Waterloo County, the citizens of Waterloo County provided the land and also took care of a large expense in the construction of buildings. And it was my great pleasure when a representative of the Borstal system in England was visiting in Toronto and he came to me and said that "after a tour of the world, I have come back here to tell you that I have not anywhere, in all my journeyings, seen a school for training for problem boys on a par with the Bowmanville School here in your own province."

In addition to that, the thing that I think was very important in the presentation of the bill for second reading was when the Minister challenged the members of this Legislature to go out and do their part and show their co-operation. We are here; we are representatives of the people. We have an opportunity of going among our people. We must know everywhere people who are interested in this very complex problem, and seeking their interest, and ask them to make their submissions. We should not hurry. That's what I'm pleading for. The suggestion that we should send it to Law Amendments, come back for third reading, make it the Law of the Land, just in that casual way - it's not good enough. I want to say that in giving it careful study it isn't pigeonholing the legislation, as someone suggested, the Member for Ethelbert Plains, and it's not a publicity stunt. In other parts we go very carefully. In studying matters which are of concern to the people, economic matters, bilingualism, biculturalism, we don't mind how much money we spend over how many years and so forth; how we can make two grains of wheat grow where one grain of wheat grew before. We spend lots of time over these things, and I say Madam Speaker, we shouldn't do less when it comes to human lives, for the greatest resource that this province has is the quality of our citizenship. It's an important bill in all its parts, but when I think of Part I and II, I'm thinking of the boys and girls who are going to be the citizens of tomorrow, and our paramount duty is to build strong dikes of social and moral protection about their young lives, that they may be safeguarded from the ravages of the flood waters of evil that might assail them and it's everybody's job. Out on the dike business tonight it's everybody's job. The government's passed their legislation, received the Royal Assent this afternoon. Now volunteers are manning the dikes and putting up the sandbags. That's everybody's job and so is this - everybody's job. And I'm quite sure that the men, the Provincial

(MR. MARTIN, cont'd) . . . Secretary wouldn't be averse to the suggestion that perhaps in tackling this job it might be a very worthwhile contribution to our confederation project. It's better to build a fence at the mountain top than to maintain an ambulance at the bottom.

MADAM SPEAKER: The Honourable Member for St. John's.

MR. CHERNIACK: Madam Speaker, I listened with interest to the Honourable Member for Selkirk when we spoke about this exercise in euphemism, as he called it, and I found it somewhat of a contradiction when he ended up deploring the use of the name "Juvenile Delinquent," and suggesting that that name had connotations which were odious and the name should be changed. I find a contradiction there and I find a contradiction throughout all he said in terms of the need and yet -- speaking of this bill as being an exercise in euphemism, and at one time he used some expression like "it's a joke."

Well, Madam Speaker, it's no joke at all. I think that it is a much-needed bill long overdue, and the need for it is not newly recognized, but one that has been known for a long time. I intend to comment on what was said by the Honourable Member for St. Matthews a little later, but I do recall to you his description of what was done in Ontario. How many years ago was that? "Several," he says. I know it's much more than several. I'm sure it's much more than several years that this tremendous recognition was given in Ontario and I assume that he is proud that he was a member of that body which was able to do that work, so that this bill is long overdue and is not new in this House.

Indeed, I recall that before I was ever honoured with the position of being a member of this Legislature, my predecessor for the constituency of St. John's used to speak constantly and annually on the need for a proper corrections system and a corrections attitude, and I remember that last year, when I had occasion under the Attorney-General's Estimates to deal with the question of corrections and I said then, "We should have a Director of Corrections," I learned that the new Director of Corrections had arrived I think the same day or within a day from the day I spoke, and when I said that there should be a Corrections Act, I was informed by the Honourable Minister that there will be a Corrections Act at this Session, and what he promised, he made good, and he produced a Corrections Act for us.

And then, I suppose, feeling that we might become too enthusiastic in his support, he immediately told us that he was not ready yet for it to be dealt with at this Session, and that's not fair. That's not what he said, Madam Speaker. I read carefully what he said, and although some members have assumed from what he said that he said, "Let's leave it over for a year," that's not what he said. He said that it should go to the Standing Committee because "we believe that perhaps a considerable amount of time can be usefully spent in considering this bill," and the Honourable Minister said, "It may well be that the Committee would wish to consider this bill after our present Session has come to an end." I would like to think that the Minister is ready. He's presented a bill. It's printed. It has no doubt had all the consideration of his department, and it seems to me that he is ready but he is afraid that possibly the Committee won't be. Well, having listened to speakers from the Official Opposition, I am assuming that they too are ready, and I can only assure the government that we too are ready, not only to deal with the bill at this Session but to pass this bill or any improved amendment that we can do, this year - this Session.

Now there are some things which I think should be commented on in addition to what has already been said. The suggestion by both the Attorney-General, who said that there might be a good argument that perhaps the Attorney-General is not the correct Minister to have the administration of this, and which was much more strongly supported by the Honourable Member for St. Matthews who is very insistent that it should not be the Attorney-General, I would agree that the Department of the Attorney-General should not be charged with the administration of this bill. I do not object to the Attorney-General being responsible for it, because I think that he or his successor would be capable of administering the bill, but not as a portion of his department, and if this government finds, as it has in the past, that it does not want to create a new Cabinet Minister, then I can well see one Cabinet Minister such as the Minister of Welfare being in charge of two departments; I can see the Attorney-General doing that as well. So I agree it should not be in the same department. As to the choice of the Minister, I think it is less important although I'm inclined to agree with the Honourable Member for St. Matthews that this is more fitting to be in the Welfare Department.

Now one of the matters that I found interesting was the discussion by both the Honourable Member for Selkirk and the Honourable Member for St. Matthews, as to the purpose of this bill,

(MR. CHERNIACK, cont'd) . . . as to its objects, as to its objectives, as to its philosophy; and I'm very sorry to see that there is no preamble to this bill. There is a preamble in the Social Allowances legislation. There are preambles in other Acts where the philosophy behind the Act is spelled out. And the Honourable Minister in presenting the bill for second reading did mention the philosophy in a casual way but I can assure you, Madam Speaker, that the people who are charged with the responsibility of carrying out their tasks under this bill will never go back to Hansard, Page 1238, of the 1966 Session. They will not go back to learn the philosophy behind the bill but rather they will look at the bill and interpret it as they see fit, and because this is a new step and a forward step and a step that is a changed step, not only in relation to changed names but in approach to the problem, I think it is necessary that there be a proper preamble which sets out the philosophy and the attitudes which it is expected that the people involved with the Act will understand and will carry forward.

Now in another respect I find a great lack in this bill, and that is in the lack of establishing the man responsible for this bill. Reading through the bill one isn't quite sure to whom reports are made and who is responsible. We know that the Director is the Director of Corrections, but surely there should be something in the bill saying that the Director is the person who is in charge of the administration and carrying out of this Act, and that the people involved throughout the Act are responsible to the Director for their activities, because the people are court officers, the people are probation officers, the people are the custodial staff in the correctional institutions; they are people who will be charged with responsibility of the Work-Release Program and I think it should be clear that they must work through the one authority, the Director of Corrections.

Dealing more in a specific, the Forensic Clinic is one which the Minister says will be clarified in definition by an amendment in committee, but his amendment does not seem to contemplate what I think is a vital part of the program, and that would be the question of treatment. I don't think it's enough to have the Forensic Clinic for the reception, diagnosis and classification if we do not carry out, along with it, treatment not only of these people but of people who have committed offences and who may have admitted to them but have not been convicted of them. There is a great need for the treatment of classes of people that the Forensic Clinic could well accept the responsibility for doing.

Another point I might make is that a Board of Review is provided, as was mentioned by the Honourable Member for St. Matthews, to deal with juveniles. I think the same type of Board of Review could well be extended to work with adults of special types of offenders who could well come under that aspect. Now probably the most exciting departure is the Work-Release Program, and I suppose it could be expanded on and it could be debated and discussed, but I think that in recognizing this and in complimenting the Minister for bringing it forth, we should be prepared to deal with it. There is a story, Madam Speaker, of a retired French general, I think it was, who called in his gardener one day and said to his gardener. "I've just bought a tree which I want you to plant in the garden and I want it to be in that exact location at which I'm pointing." And the gardener looked at the tree and said: "But sir, this tree doesn't bloom for 100 years." And his master said: "I know, go ahead." He said, "But you will never live to see the flowers that are produced from this tree." And he proceeded to argue with him that this tree would take much too long to bloom and therefore it was not a good idea to do, and this general interrupted him and said: "If it's going to take 100 years to bloom, let's stop wasting time and plant it now."

And I would suggest to the Honourable Member for St. Matthews that the children he speaks of -- and I wish I could have written down as quickly as he said them, his concluding sentences which were expressed so beautifully about the boys and girls of today being the citizens of tomorrow, and the other well-put sentences that he used in describing the great need for setting these people on the right track, and I was enthused with what he said, but he killed it off by saying: "Let's take a year; indeed let's take two years." Let's not wait for that flower to bloom but let's get it planted now and then let's nurture it and let's develop it and let's see that it grows. I think, Madam Speaker, it would be a travesty to bring in a bill which is a forward step - inadequate as the Member for Selkirk thinks it is, he will agree, I'm sure, it's a forward step - let's not kill it off by talking about a year or two years. We feel that work has to be done now, and that if there is help that can be provided to the children today then these children should get it today and not wait for two years when many of them will have already reached the age or the stage where this kind of help will not be available to them.

I appeal to the Honourable Member for St. Matthews to lend to the committee which deals



(MR. CHERNIACK, cont'd) . . . with this, his experience and his knowledge and his heart and his understanding of the problem, so that with his help this could be done this year; and I stress this so very strongly because I feel that to let it go will be harmful to so many of our boys and girls - and adults - and as a result, to society. So that I would urge that just as we felt it possible to deal with the matter of the dike, which was referred to by the Honourable Member for St. Matthews, in one day, and bring in legislation which affects the rights of property of many people, knowing in advance that they will lose, they will suffer damage, but say "This is an emergency; there is a dike to be built and it has to be built now," and we did it in one day, surely within the next month or the next few weeks, with attention and with recognition of the need, we can build a Corrections Act; we can pass a Corrections Act; we can hear the various organizations that have an interest in it; and do you doubt that any of the organizations will not come and congratulate us for going ahead with it? Would we not rather have their congratulations for an Act which apparently some members think might not be as comprehensive as it ought to be than have their vilification for delay for a year, and yes, for two years, the enactment of such an important piece of legislation?

I feel we should accept the challenge and recognize that we can do it this Session, and I think that if it were let go for any longer it would be to the shame of this Legislative Session to permit that to happen.

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

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

MADAM SPEAKER: The adjourned debate on the second reading of Bill No. 71. The Honourable the Member for Emerson.

MR. PATRICK: In his absence may we have this matter stand, Madam Speaker?

MADAM SPEAKER: The second reading of Bill No. 27. The Honourable the Minister of Welfare.

MR. EVANS: Could this stand, Madam Speaker?

MADAM SPEAKER: Agreed to stand?

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

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

#### COMMITTEE OF SUPPLY

MR. CHAIRMAN: (Resolution No. 67, was read section by section and passed.).

Resolution No. 68; (a)--passed.

MR. JOHN P. TANCHAK (Emerson): Mr. Chairman, I believe we're on Forestry now? Forest Management. Just a day or so ago the Honourable Member from Ethelbert Plains, my colleague, posed certain questions to the Minister of Mines and Natural Resources, and I'm sorry to say that there wasn't an intelligent answer given to the committee here. It seems to me that the Minister evaded most of those questions and I think that we in this House are entitled to some explanation on this and especially on the commitment of our forest products to a company, a foreign company from Switzerland. There wasn't too much discussion on that and that's what I think the Minister completely evaded. He mentioned, he told us a story about the trees, compared them to human beings, talked about sustained yield, but questions that the honourable member put to him were not answered. He mentioned the surveys that were not complete; there were so many "ifs" connected with the operation of this new company. Then the Honourable Minister didn't answer that. The honourable member wondered whether this new agreement contravenes a former Act, The Forestry Act. There was no answer given to that.

The honourable member also asked for a tabling of the agreement between the government and the company. There was no answer given to that whether the agreement will be tabled or not. Now. . .

MR. LYON: Mr. Chairman, on a point of privilege. The Honourable Minister of Industry and Commerce stood up - I don't even know if my honourable friend was in the House - stood up when the question of the agreement came up and said that it was going to be tabled, and furthermore that question was asked in the Orders of the Day about two days ago and the same answer

(MR. LYON, cont'd) . . . was given. If my honourable friend would listen to what's going on in the House he would know these things.

MR. TANCHAK: I think that since we are in his department that we would like to hear the views of the Minister who is in charge of the forests that are going to be committed to this company, and that's why I'm bringing this up. I heard what the Honourable the Minister told us before, that he may give us some explanation later, but I think -- I'm not condemning this deal. We don't know in fact -- the deal may be good. The deal may not be a proper deal. But I don't like the mystery that's surrounding this deal, the mystery surrounding the deal that the government has made with the Monoca A.G. in connection with the utilization of our forest products, because this isn't a small matter. If you consider the total area of the Province of Manitoba we know that Manitoba, the total area of Manitoba is roughly 250,000 square miles, 40,000 square miles of which is composed of lakes or water; therefore it leaves about 210,000 square miles. Now the area committed to this company is around roughly 40,000 square miles; that is roughly one fifth of the total land area of the Province of Manitoba, and it is a huge chunk of the Province of Manitoba.

Then if we look at it in another way, we are committing, or the Government is committing roughly one half of our better forest area to this one company coming from Switzerland. They are committing it by giving exclusive rights, cutting rights, to this one huge company. Now the people of Manitoba are asking questions. We hear it through the press; we hear it personally by telephone and so on; and I think that they should be told, they should be told, is this fair to our established forest industry. We have got good people who are established in this industry. Is this fair to them? And will the concessions given to Monoca A.G. create unfair competition as far as the established forest industry in Manitoba is concerned? It may create unfair competition. We hear some rumblings about that now.

Also a third question: how much public money has been committed or may be committed to establish this company? We don't know those things. Is it only \$5 million that the company is coming with, or the company would have to put up, and the rest the people of Manitoba?

MR. CHAIRMAN: . . . more satisfactory for the honourable members to ask these questions and to discuss this matter after the different documents have been tabled so that you will have more information and the House will have more information, and so that it will save the time of the House?

MR. TANCHAK: Well there are certain reasons . . .

MR. CHAIRMAN: . . . more satisfactory than to ask these questions?

MR. TANCHAK: Will the Honourable Chairman assure me that we will still be in this House, Monday, Tuesday, Wednesday? We have no assurance of that, and you cannot assure us, and I think that when we are on Forestry I can ask these questions right now because we are on that subject. I'm interested . . .

MR. CHAIRMAN: I make the suggestion that it would save time for everyone and it would be possibly more sensible to talk about it after we have had the documents tabled.

MR. TANCHAK: When will those documents be tabled? Monday, Tuesday, Wednesday, Thursday or some time after the Session is over? I think I'm quite in order right now to ask these questions so we're just killing time by interruptions now.

Enquiries have been made in Switzerland, as we know by news media and so on, and other sources tell us that enquiries have been made regarding this company, and as far as we can tell there doesn't seem to be any trace of their existence found in Switzerland, so what are the true facts? Is this a company formed overnight? Is this mostly an election gimmick? I hope not. But the people are asking questions now. It looks like it. Yes, I'm one of them and I have a perfect right. I'm glad to hear that the Honourable the Minister is not so concerned and takes everything for granted. I would say that the Honourable Minister should have gone, since it concerns his department and the natural products which he controls, probably he should have gone to Switzerland and he'd have known more about the deal. Evidently he doesn't know -- he's just as much in the dark as I am, because he doesn't give any answers to us.

I think that the Minister should give us a better explanation on this deal right now, and naturally if the Minister of Industry later wants to give us more explanation, we'll listen to him too. I think that the government has an obligation to the people in Manitoba to tell them how they are involved and what they have to put up, how they'll have to foot the bill. Those are the questions that I think the Minister should answer, at least a few today, since we are on Forestry.

MR. CHAIRMAN (a) --passed.

**MR. WRIGHT:** Mr. Chairman, I'd like to say a few words in Forest Management. Mr. Chairman, I would like to start by quoting from Page V-3-5 of the COMEF report which we received in 1963, and I quote: "The estimate of the timber resources of the province made in the 1930's upon which the province's existing forest policy is based, indicated that the annual drain from logging, fires, insects and disease exceeded the annual growth. A much more comprehensive inventory just completed shows the earlier estimate to have been seriously wrong. It is now considered that the accessible Crown land alone will sustain an annual cut of almost 100 million cubic feet of softwood, and it is possible even this estimate is conservative. However the total cut of wood in the province has tended to decline of late and the average for five recent years has been only 34 million cubic feet of all species from Crown lands." Mr. Chairman, I noted from the annual report where a five-year high of 29.3 million cubic feet of timber was produced. This again is a decline, even from the COMEF report.

Now, Mr. Chairman, I mentioned in my speech on the Throne Debate, I criticized the government policy then and I spoke about integrated harvesting, pointing out that in Manitoba we didn't have the size of tree that they have in British Columbia and that was all the more reason to have integrated harvesting. I also spoke of my visit to Birch River to look at Manitoba's only plywood factory. I was told then, I saw bolts coming in then some two foot in diameter, but I was told by the operator then that he could foresee the time when he would run out of material for the plywood factory. This to me brings home the point that there hasn't been any proper management of our forests. Surely we are not going to allow people, we are not going to loan money from the Manitoba Development Fund for a plywood factory that was doing very well, then by poor management have the management run out of material for the mill, simply because we have no policy of timber management. When we allow trees two foot in diameter to be cut up for two by fours and to have a hodge podge of forest management, surely it is inevitable that this plant would be forced to lower its production.

Mr. Chairman, the government through the Manitoba Development Fund, loaned money not once but twice to this very plant, and it had two strikes against it before it started because of the lack of forest management; so I think, Mr. Chairman, there is little wonder about the crash program then in regard to utilization of our timber resources. We have failed, and as the report says since 1930 we haven't had a real policy of the management of our forests, so now we are going to go to the other extreme and we are going to allow a large scale exploitation of our timber resources. Now the forests have been there for a long time and I think that long before this we should have had some plan, because I don't really think we know yet what our resources in regard to timber in Manitoba. Once again, the trees are of a size that there must be integrated harvesting, and I imagine with the development that is now planned that this will be the only way in which they can efficiently exploit the area, but it seems sad to me to read the report, the COMEF report, and I would like to refer to another page, Page V-3-8 where it says that - and this is 1963, Mr. Chairman - "The lumber industry in Manitoba is a sick industry which has been losing ground for a generation or more, particularly during the past decade. The amount of lumber produced has been falling and the price of the principal product, spruce, has also declined," and so on.

It was seen that far back, and I'm discouraged to think that we would loan money twice for a plywood factory at Birch River only to have it fail to operate.

I was told that we have stands of black spruce in Manitoba that really haven't been appraised yet, and I'm just wondering how we could make a deal such as we visualize at this time, without a proper inventory of our forests. It makes one wonder just how we can interest a large corporation such as this to come in, without a proper inventory. Surely the concessions must have been very great, and I wanted to rise, Mr. Chairman, to express my indignation of the fact that we have been managing our forests in this manner for so long, and still in 1966 we have really no idea of what our assets are in timber.

**MR. SHOEMAKER:** Mr. Chairman, I note by the annual report Page 62 that the reforestation plantings apparently are down substantially. Of course they are referring to the 1964 season in the 1965 report, but it is indicated here that the total amount of planting on Crown lands was reduced by 14% for a number of reasons. I wonder if it is the intention of the Minister to increase it by double that amount in the ensuing year to take care of the decrease in the last couple of years.

**MR. LYON:** Mr. Chairman, the year 1965 was a record year in reforestation planting in Manitoba. Some 3,385,000 trees were planted on provincial Crown land. In addition, direct seeding on scarified ground was carried out on an area of just under 1,000 acres. Forest stand

(MR. LYON, cont'd) . . . improvements by . . . vicultural treatment of plantations and natural forests amounted to 3,000 acres. A new tree seed processing plant was built at the Pineland Nursery which will have a capacity for processing upwards of 6,000 bushels of spruce and pine cones per season. This plant is now in operation although its full capacity will not be realized until certain new seed extraction equipment is installed, in this forthcoming fiscal year.

Dealing with the question raised by my honourable friend from Seven Oaks, I can tell him that I am certainly aware of the paragraph that he has read to us from the COMEF report, and if he will recall, based partly at least on that stimulus and on the stimulus of our own departmental professional people, we brought into the House two years ago I guess it was, a new Forestry Act which meets in large measure the basic and substantive recommendations made in the COMEF report. Subsequent to that we have introduced an entirely new system of allocating timber rights in the province. We have introduced a quota system which has been modelled in part from the system that is prevalent and has been prevalent for some time in British Columbia, and generally speaking, this system we feel will do a great deal to remedy some of the wrongs that certainly we felt did exist in the former means of forest allocation which had existed in the province since about 1930 when the previous Act was enforced. This is a completely new approach to the allocation of timber cutting rights in the province as was recommended - I'm not speaking now of the quota system itself but of the new approach to timber cutting rights itself - as was recommended in the COMEF report.

There have been inventories taken over the area in connection with the new development in northern Manitoba. The inventories are not as precise as either the government or the company would wish them to be, and a considerably advanced inventory program is in the estimates this year for that particular area; furthermore there will be intensive inventories carried on in that area over the next number of years. Suffice it to say that the government are professional people and you must remember that people who are developing a forest area as well have foresters. The professional forestry people of the developing company are satisfied that there are more than sufficient resources in that area to feed the kind of a plant that is being established, and to see it through to its ultimate development of five stages. So I hasten to assure my honourable friend from Seven Oaks that we do have the resource there and the job before us now is to complete that inventory and furthermore to give more intensive protection to that area than has been possible in the past because of the oncoming exploitation of the area on a sustained yield basis that will be taking place.

Insofar as my honourable friend from Emerson is concerned, I believe I had answered most of the questions that my honourable friend from Ethelbert Plains was dealing with; I told him about the inventory. I've just mentioned the inventory situation. The Minister of Industry and Commerce is tabling very shortly, I understand, the documents in connection with the agreement. He will have all the time in the world to look at those and see whether or not in his considered opinion, after reading those documents, we have a good deal for the people of Manitoba. I feel we have a good deal for the people of Manitoba in the exploitation of what has heretofore been a wasting resource. He says, "What about the other established operators in the area?" I've already answered that question, Madam Speaker, by pointing out what was already mentioned by the Minister of Industry and Commerce in his announcement on this matter, that existing operators in the area are protected not only to the extent of their existing quotas but double their existing quotas. And so people who are operating in the area have double their existing quotas to use ahead of them; and so protection was considered and protection was granted to existing operators in the area.

Now, if he is talking on the other hand, about existing operators in other parts of Manitoba, I can merely say to him that this area has been lying there dormant and wasting for many many years, and no one would be happier than the government or indeed any other member of the Legislature if these existing operators had seen fit somehow to raise capital and to enter into a large project to take advantage of this wasting resource in northern Manitoba. But this was not done. This was neither the experience of our predecessors nor was it our experience. And as in the case of most other provinces in Canada, people who were skilled and who had experience in the newsprint business were the ones who saw fit to come and to enter into an agreement and to begin the exploitation of this resource for the benefit of all the people of Manitoba. And I repeat those words: for the benefit of all of the people of Manitoba, because the dues that we will now be getting are dues that we weren't getting before - the stumpage dues. We were getting nothing before except for the minor amounts, the minor

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

cordage that was being taken out. The roads that will be built, both by government and by the company, will open up this tremendously large area. The jobs that will be created, and so on and so forth. I don't feel it necessary to repeat all of the advantages, the very obvious advantages that accrue to a province from a development of this nature. If my honourable friend doesn't wish to believe me, I refer him to the Province of British Columbia, I refer him to the Province of New Brunswick, I refer him to the Province of Newfoundland, where similar developments have taken place, and he can talk with the government people or with private enterprise in those provinces, and he can see there by example the kind of development that we anticipate will take place in Manitoba as a result of this new exploitation of what was formerly a wasting, a rotting, or a burning resource in Manitoba.

So, I don't know what more I can say to him except that I hope that when he said that he hoped that this would be good for the people of Manitoba, I hope he meant it. I think he did. I think it will be excellent for the people of Manitoba. I think it's an excellent idea to have this resource which has been wasting away finally put to some productive use. There is little more I can say to him in that regard except to assure him that what was formerly not being used for the advantage of the people is now going to be used, and I think this is something in which we should all rejoice rather than question and query and try to look for perhaps some evidence of political gain - if I may apply that term to it - because I think this is something that's good for all of Manitoba, and regardless of the party that a person belongs to, if something is good for Manitoba, I think we should stand up and say that it's good for Manitoba and rejoice in it.

. . . . . continued on next page

MR. TANCHAK: Mr. Chairman, when I referred to unfair competition, I was referring to the fact of the dues - the stumpage that's being paid. There are other people in the Province of Manitoba who have to pay much higher stumpage.

I also asked the question -- the people are concerned, they want to know what they are expected to put up in terms of cash - provincial money - because we've had experiences before, even in my own area - I don't like to refer to it too much because it has its value and I am referring to the plant at Sprague - but we know that there was an awful lot of money wasted there when this machinery was brought from Seattle, I think it was, the machinery, the motors and so on were bought and paid for by the present government. When the machinery arrived at Sprague, a lot of that machinery was obsolete, and if you go and inspect this plant now you'll find that most of the machinery has been discarded and replaced by new, because motors and everything were piled, I would say, four or five feet high. Some of that machinery was no good, and it was people's money who was spent - or a waste of people's money spent on that because it was borrowed money and the people had to put up. That's what I'm referring to. It could be a lot of waste. People are concerned about it. Where they have to foot the bill, they would like to know immediately to what extent. The Minister didn't touch on that.

MR. LYON: Are you seriously suggesting that money was lost in the Sprague plant? Is my honourable friend suggesting that a plant that employs over a hundred people in his own constituency is not a good thing for Manitoba? Does my honourable friend suggest that the government should not encourage developments of that nature for the people of Manitoba and to provide employment? Is he willing to go down to that plant site and tell the people there that he doesn't think it's a good thing? Please now, Mr. Chairman, I ask my honourable friend to be reasonable.

MR. TANCHAK: Mr. Chairman, I asked the Minister questions. He doesn't answer my questions but he poses questions at me, and if he had kept his ears open he would have heard what I said. I said that it does a lot of good, a lot of value in that country and I'm not criticizing it, but the government spent a lot of money purchasing pretty near a million dollars worth of machinery - obsolete machinery which had to be replaced, and that's what I -- the waste of money of this government. That's another example of arrogance. You put a question to the Minister, and instead of answering it, he goes ahead and poses a different question. That's a concrete example of the arrogance of the present government. I did not say that it isn't a good thing - that plant there - but it could have been set up more economically than this government had it set up. Why doesn't the government come off here and tell us right now how much money is involved - public money or people's money - in that plant so that they would know, and tell us exactly how much people's money was wasted there on account of the deal that was made - not the deal of the plant itself but the purchase of this obsolete machinery that came from Seattle.

MR. LYON: Mr. Chairman, my honourable friend is the only one who said that government money was wasted. We've never said that on this side, nor do we believe it.

MR. TANCHAK: You all know it was.

MR. HRYHORCZUK: Mr. Chairman, just to change the tempo, because I'm afraid that we're dealing with a subject that's pretty touchy and we could get into a bit of fireworks here. We'll just leave that one for a little while. What I'd like to know, Mr. Chairman, is on what basis the quotas were established. Were they guaranteed for a definite period or are they set up for a definite period; how many operators there are on the quota system now; what the dues are on pulpwood - Spruce pulpwood and Spruce lumber; and are the dues set for a given time?

MR. LYON: Mr. Chairman, I'm happy to give my honourable friend -- I think most of the information I have in front of me; I can get the balance of it as to the number of quotas. I think the number of quotas are in the area of 3,000, but I'll get that from on high for him very shortly.

The main points of the new quota system are as follows, Mr. Chairman. The forested areas of the province have been divided into forest management units. The amount of timber of each species that can be cut annually in each unit has been calculated. All existing timber operators cutting in each forest management unit have been given a quota for the coming year based on calculated previous average production over the three previous annual years in which they operated. Each quota represents a percentage of the total annual allowable cut in the forest management unit where such cut has been determined. Each timber operator is given, Mr. Chairman, a 15-year right to cut a percentage of the allowable annual harvest of a

(MR. LYON cont'd).....management unit. That's fifteen years, whereas before I think the most extended sale you could get would be seven years. This is expressed in terms of cubic feet of soft wood or hard wood. Where the timber operator wants to get out of the forest business, he can dispose of this 15-year cutting right that he has been allocated by sale to someone else, either an existing operator or someone else who wishes to get into the business.

For the time being, Mr. Chairman, to answer a further question of the honourable member, the amount of timber dues or royalties that operators must pay on wood cut under quota is set at standard appraised rates rather than determined on the basis of competitive bidding. My honourable friend will remember mentioning the other evening about the high competitive rates that were being charged on the open auction system. This was the subject of very thorough concern as he will appreciate with the members of the Manitoba Forest Products Association who certainly made their feelings known to us on many occasions, where they felt that sometimes strangers would come in from outside, overbid a sale, not be familiar with the local cutters in the area, and thereby perhaps deprive local people of employment that they should have had, and then eventually find that the sale price that they had bid because of their unfamiliarity with the area was perhaps too high and so on. So now the rate or the dues to the timber quota operator are set on a standard appraised basis, which means a slight loss in revenue to the government but by and large a fairer deal for the timber operator who has not felt that he has had a fair shake in the past in this respect.

Individuals or companies - and this is another feature that I think my honourable friend would be interested in - wishing to expand or become established for the first time in the forest industry can do so by way of two means. Now what I am saying is in effect the quota system protects those people who are already in the business but it does not keep out those who wish to come in. They can either acquire a quota from a quota-holding operator, and this is being done - a number of quotas are changing hands at the present time, or they can make application for unallocated portions of allowable cut in management units. Where the full amount of the allowable cut is not taken up by existing quotas, new operators can come in and ask for quotas based on the balance.

The information that I have in front of me indicates that timber quotas granted under Timber Sale - 632, under Pulpwood Permits - 1,915 of them. Timber quotas assigned as at February 16 of this year, under timber sales - 39, and under pulpwood permits - 78, and additionally there are some 91 being processed as of that date. So my honourable friend can see that already this process is in operation. Some people who have small or medium-sized quotas are taking advantage of the opportunity to sell something that they didn't have before, and to either sell or expand existing quotas that they have had.

I think those answer most of the questions that my honourable friend put on the quota system.

MR. HRYHORCZUK: Mr. Chairman, they do answer most of the questions. The Honourable Minister didn't tell us what the dues were. They probably vary from unit to unit, but I would like to know approximately one or two examples of what the dues are.

He mentioned the fact that before this new approach came into being sales were bid on, and sometimes because of the keen competition for timber sales the prices were high. I agree with him. But what the Honourable Minister overlooks is this, that when there was competition, and if the dues were high, it was the government that reaped the benefits of the competition. Now what I'm afraid of under this present system, Mr. Chairman - and it could be serious - the Honourable Minister mentioned that you could get into the business by taking an assignment from an operator who has a quota. Isn't there a danger of a monopoly in our forestry industry by someone taking assignments from time to time until he held most or all of the timber under the existing arrangements? There's nothing to stop him from doing it and there still is competition for these quotas. I know for a certainty that there are people going to these operators and offering them sums of money for the rights they hold. Now instead of the government getting this money, these operators are getting it, so the competition is still there. The only difference is that instead of the money going to the government, it is going to private individuals in the province. I'm not too concerned about that angle of it but I think that there is a real danger and that we may end up with one firm or two firms holding all the timber in these units by obtaining assignments of what is now held by 1,925 operators.

MR. LYON: The honourable member will appreciate, Mr. Chairman, that this is the first year which the system has been in operation and I'm the first to say that it's in a transitional stage right now. In the department we have been amazed really at the number, the

(MR. LYON cont'd).....relatively small number of problems that have arisen with the system considering it is in its transitional period. We took the advice that for the time being, during this initial period at least, we should operate on an appraised rate basis rather than on the old competitive basis until we got things established. He raises a real point as to whether or not these 2,500-odd quota holders at the present time might in time - and I think he would appreciate too it would be an awfully long period of time - whether 2,500 of them might be consolidated into one or two or three groups. I don't actually foresee that as much of a realistic possibility, but I do tell him that the assignments have to be approved by the Director of Forest Management and there is knowledge of the department as to what's going on day to day in this operation of a quota assignment.

As I've mentioned to him, there is something like 180-odd assignments being processed at the present time. He will realize of course that some of these quotas are quite small quotas. Some of them are eight cord, 10 cord quotas, you know, because the timber rights or the timber cutting of the quota holder over the three-year previous period upon which the average was based was quite small, and certainly one of the aims of the quota system as spelled out in the COMEF Report for us as a general aim was to get some consolidation so that you might have more economic operation in the forest area. While we all realize that the independent cutters who cut just a few cords is a valuable person and so on and we want to help him as much as possible, and certainly this quota system is designed to help him because it gives him something he never had before, at the same time we realize that in the kind of competition that we're in in the forest industry in all of its aspects today, that the more medium-sized economic units that you can get operating on an integrated basis, if possible, in your forest areas, why then the better and healthier your forest industry is going to be. But I think he raises a point that we can certainly watch. I don't foresee it coming about but we can certainly watch it.

MR. HRYHORCZUK: Is the Honourable Minister giving us to understand that the department can refuse to give approval to an assignment if the assignee has all the qualifications that are required?

MR. LYON: We have a provision as I recall - and here I'm going only from memory, I don't have the Administrative Order in front of me - but we do have a provision whereby the person who has sold the quota has either a 24 or a 48-hour period to think it over himself in case he acted on the spur of the moment, to give added protection to him. My honourable friend will appreciate the circumstances that sometimes arise where the quotas could be bartered for.

MR. HRYHORCZUK: Mr. Chairman, that wasn't my question. My question was: Has he the authority to say "no" to an assignment if the assignee has the qualifications? I'm not talking about the operator.

MR. LYON: No, I'm told we haven't. If they meet all of the other conditions, we don't have that. We have the over-viewing. We see what's going on but we haven't at the present time given ourselves the authority to prohibit it provided the pre-conditions are all met and both the vendor and the purchaser are happy with the arrangements.

MR. HRYHORCZUK: In other words, Mr. Chairman, if I had the money and desire, I could go out and get assignments from one, ten, or all of these operators, and have a monopoly of the forestry industry in Manitoba.

MR. LYON: If you could talk the 2,500 single operators into selling to you, that's conceivable, and if the department in the meantime saw what you were up to and didn't decide to change its regulations,

MR. HRYHORCZUK: In the meantime, there are 180 of these assignments already approved.

MR. LYON: As I understand it, there are various people purchasing them, not just one.

MR. CHAIRMAN: .....just handed to me. In the British election, Wilson gets in with a landslide.

MR. FROESE: Mr. Chairman, the other night when we were still under the Minister's Salary, I put a number of questions to the Minister on this new industry that is locating up in the north, coming to us from Europe. I put a number of questions and as yet I have not received one single reply on any of them. Tonight the member for Emerson put a number of questions to him again on this Monoca company and here too we find that we are not getting any information.



(MR. FROESE cont'd).....

Now what assurance have we got that we will be able to discuss matters pertaining to this company in committee. As yet we have none, and I feel these matters should be discussed in committee so we can have questions and answers come forward, otherwise we'll be limited to speaking once in debate and that's it. That's the only opportunity I will have on making any comments or statements or making any enquiries, and then not knowing whether I'll receive an answer to any questions that I put because so far I've not received any on the questions I put the other night. It seems to me that the Minister has it out for certain members, at least this is the opinion I have formed in this House. To me, it seems he has certain members in this House that are beneath his level and he doesn't care whether he answers or not.

Then I also note that certain tactics being used in this House presently in this Session, that we will be discussing the estimates of a certain department and after we're through then they're coming in with legislation which we didn't know anything about, and not having been able to discuss it when we were discussing the estimates. I think this information should be put before us at the time of the estimates so that we can discuss it more fully and in relation with the whole department. I think this is not dealing with it in the proper manner and the way it should be done. Had I known this, I think I would have moved that the Minister's Salary be cut to \$1.00 because I haven't received any co-operation yet, and I think I will have the opportunity when we have motions of concurrence, so that he can look forward to that.

I would like to have some answers to the questions I put to him the other day.

MR. LYON: I was under the impression that I had answered my honourable friend the other day. I can assure him he need take no personal offence. I don't even know if he was in the House when I stood up to answer some of the questions because I can't keep track of the perambulations of my honourable friend. I would suggest however that he do check Hansard.

I would refer him to the statement that was made by the Minister of Industry and Commerce. When the agreement was announced, the Minister announced that very shortly that agreement in detail will be -- the whole thing will be before honourable members and they can discuss it to their heart's content. I see no particular purpose in engaging in debate four or five times on a particular subject. I've answered everything I can in terms of the inventory; I've told him about the protection that is being offered to existing operators; I've told him that more intensive inventory will be done; more intensive forest management will be done; that roads will be built; and what more I can give my honourable friend I am at a loss to know. I think if he will have a little bit of patience and be slightly more reasonable than he thinks I am, then perhaps he'll get the answer to what he's looking for.

MR. CHAIRMAN: (Resolutions No. 68 and 69 were read section by section and passed.)  
Resolution No. 70 - (a) - - -

MR. MOLGAT: Mr. Chairman, on the Lands Branch. Several years ago when this government took office they proceeded to freeze completely the sale of land, the long-term leasing of lands, and any of the long-term leases that were then in existence were not open for renewal. On many occasions here in the House we urged the government to set up a long-term leasing practice once again. It's quite obvious if you're going to encourage people who are in the ranching industry and who must depend on Crown lands in most cases, unless they have some assurance of long-term tenure they cannot be expected to build up a herd or to provide the improvements to the lands that are required. Eventually, some two years ago, the government proceeded with a long-term leasing policy. There were some objections at that time as to the cost of the leases but certainly the policy of getting long-term leases was accepted.

There was one area however where the government did not proceed, and that was to re-establish the existing policy or the old policy of selling Crown lands to individuals who wished to buy them. I've now spoken I think every year on this matter and I find that I'm getting nowhere either with the Minister of Mines and Natural Resources or the Minister of Agriculture in this regard, but I still want to make the plea for those people who are resident in an area, who have shown that they are able to operate in an area, and who wish to buy the land with which by and large they have been dealing.

I know the answer that the department gives and the Minister gives us here in the House. He says, well we can't depend - if we sell the land to these people we don't know what they're going to do with it. They may be taking land that's not fit for cultivation and put it back into cultivation, and we don't want to go through what went on after the first World War in particular with soldier settlements and so on. I couldn't agree more that none of us want to see the same performance that went on after the first World War. My own constituency is probably a prime

(MR. MOLGAT cont'd).....example. It was area that was marginal - much of it still is. People were placed on farms there who had no experience whatever in farming; they didn't come from a farming background; they spent some years on I suppose what might be termed stone farms, if you give them the right term; they went broke in most cases after a tremendous amount of work; and the evidence is still there on the stone piles and the deserted farmhouses in some of those areas.

I don't want to see that repeated in the least but there is another side to the story, and that is the individual who is presently resident in an area; who has shown that he is adaptable to the area; who has shown that he can use that land for the purposes for which that land is capable of producing; and still the department insists that those individuals cannot buy those pieces of land in which they are interested, and I submit that this is not a sound policy for the development of some of our rural areas.

We speak a great deal in the Department of Agriculture about setting up farm units that are of sufficient size and economic strength to permit the operator to operate them successfully. The fact is that many of these operators will not proceed to develop a piece of land unless they own it, and for this I don't think that we can blame them. Even under a long-term lease, as they can get now, if they proceed to improve the land, the improvements that they themselves pay for, put in that land, become assessable when the new lease comes up, so that they are going to pay a higher rate because of the work and the money that they themselves have invested in the land. The long-term leases as I understand them now, when they come up for renewal the land is re-assessed, based on the value of the land at that time including the improvements that were put into that land by the lessee.

Now this policy in my opinion is discouraging many of the ranchers in the province from improving their land and from doing the things that the Department of Agriculture I think is encouraging them to do. I'm not suggesting that we should open up all the Crown lands for open bid and for speculation. None of us, I think, would recommend that sort of a policy. I wouldn't want to see the situation where these are put on the market and people can simply come in who have no experience in the area, no experience with that particular type of land, and who can simply come in for a short period on a speculation and then move out. This would not provide sensible development, but surely where individuals have shown, by establishing a farm unit in an area that they are capable of making use of that land, then we should be doing everything that we can to encourage them to develop it. I'm certain that the Honourable Member for Rupertsland runs into exactly the same situation in his constituency. I know a good part of his area. Some of my colleagues represent areas that have exactly the same problems and we are not doing in those areas right now what can be done to assist them.

So I would recommend to the Minister, and I would like to have his views on it, a policy of the sale of land to bona fide settlers in an area who have an establishment there and who want to expand that to be of a sufficient size to make it an economic unit, or where there are sons of established ranchers or settlers in an area who have been there for some time and who want to establish a unit of their own. I think this is Step No. 1.

Secondly, I think that we could make much better use of some of our Crown land in certain areas if the department would be prepared to make some of the improvements on the land rather than wait for the settler to do it. I think the economic report that we received today indicates that some farmers in Manitoba are not prepared to borrow money to proceed to build up their establishments to an economic unit, and I think this stems back to some of the problems that did exist in agriculture, particularly during the bad years of the '30s. Those people that were stung at that time and who virtually lost everything that they owned, you can understand that they are hesitant today to go into any large scale borrowing.

In these cases, wouldn't it be a good investment for the province itself, if they have a long-term lease with the settler, to proceed and make the improvements on the land - for the province to do this on the understanding that they will then have a higher rate of leasing from that particular lessee. The funds involved I don't think would change the picture at all, because right now we are prepared in any case to lend to the rancher or farmer - we are prepared through the Agricultural Credit Corporation to make loans to them whereby they will do this. Now because of their hesitancy, some of them won't do it. In those cases, wouldn't we be better off as a province, and wouldn't we be making a sensible investment in improving our agricultural areas, if the province undertook with those particular lessees on a long-term agreement to make the investment and lease it back to the rancher at a higher rate. The money would come back in in any case; there would be no more investment than if the individual did

(MR. MOLGAT cont'd).....it on his own on a loan; there would be a long-term guarantee to the province; and we would be building up economic units in a number of the marginal areas of the province that desperately need this type of development if the people who are residents there are going to make a success of their operation.

MR. J. E. JEANNOTTE (Rupert'sland): I don't mind saying that I concur fully with what the Leader of the Opposition has said. I have tried for a number of years to convince this government that I think the land should be sold. In fact, I know that in the past I can quote areas like Meadowlands where the Honourable Member for Ethelbert knows the district quite well, and years ago I remember travelling in that area where the land was opened primarily with oxen. They used oxen to bring down the trees, they cut the trees into cordwood, and then this was brought into Winnipegosis, sold to the creameries and sold to the fisheries for the use on their steamboats operating on the lake, and that land was opened at the time with grub hoes, with axes, and certainly not the methods that they have today. I have advocated the sale of land because today we have different methods. We can open land much easier and in fact the people are asking to be allowed to buy land so as they can increase their holdings so that any improvements that they make will be their own. It may be, in some circles they may figure that the land would be used for speculation but I doubt it. In fact, they want to be able to improve the land and then it's their own and eventually, if they sell it, well they'd be entitled to improvements.

This is what I think it has run into on many occasions both in the area from Gypsumville into the Homebrook settlements, into the Water Hen, into the Meadow Portage and Meadowland areas, and in fact, I know the country that the Member for Ste. Rose mentions. I know that east of Ste. Rose, I have travelled through that area and I can say too that I saw where they have settled in the past, in the times when they settled after the First Great War when the Soldiers Settlement Board installed these people there, maybe with a team of horses and a few cows and probably with a limited sum of money, and they were left on their own devices to see what they could do. Well the people were not accustomed to the area, and in fact they couldn't carry on too well because at the same time people that came in there practically penniless but knew the situation and settled there, made a go of it. They raised their family, and I know there have been quite a few places like I mentioned in the Meadowland, say about 30-35 years ago, you could still see -- they lived in log houses with thatched roofs and they opened up an acre at a time, a few acres a year, but today you can see good farms with fine buildings, nice herds of cattle, and they grow sufficient crop to look after -- to fatten up the cattle for the market and look after their needs. Their families, I would say, were brought up well and they made a go of it. Well now the requirement is they would like to increase their holdings; they would like in effect to be able to buy the land, to improve it, to fence it, and call it their own. This is what I found out and this is a request from the people of these areas.

MR. LYON: Mr. Chairman, after listening to two such persuasive advocates, I can certainly assure both the Leader of the Opposition and my honourable friend from Rupert'sland that we are continuously reviewing the alienation program within the department both with respect to leasing practices and with respect to sale, and he has stated himself, the Leader of the Opposition, the reason for the hesitancy in some cases where soil surveys indicate that the land should not be put into cultivation, the great hesitancy on the part of the department to sell that land even to an established operator, not because you are so concerned about what the established operator is going to do with it for five or ten years, but is he then going to divide it, subdivide it and sell it off again and you end up in the position where we were just a few years ago buying back, or getting back through tax sale, large tracts of land that were uneconomical from the standpoint of cultivation and which really should never have been put to any use except grassland or for pasture.

The beauty of the leasing system, as members who are more familiar with this will appreciate better than me, is that you have the control over the type of use to which that land is put. When you know, when your experts tell you, that land shouldn't be put under cultivation, then through the leasing system you can ensure that it is not put under cultivation and you can control it not only during the 5, 10 or 15-year period that the landowner might own it, you can control it during the full term of the lease. Nonetheless, we do certainly have a policy of permitting the sale of Crown land, a large amount of which, as my honourable friend from Ste. Rose knows, is reclaimed land - land that's come back through tax sale or land where down payments were made on Crown land and where the farmer just couldn't make a go

(MR. LYON cont'd).....of it and the land came back to the province because the people had tried farming on it and they couldn't make it go. They had tried to farm on grassland and they couldn't make that operation into an economic success.

So we are trying to proceed as fast as we can with soil surveys within the department, with the assistance of the Department of Agriculture, to make sure that the land that we do alienate once and for all - that is, sell - is land that can be put into agricultural use, and certainly we will pay close attention to the representations that he has made, however, with respect particularly to an existing economic unit. If there was some way that you could put a caveat that would be a viable caveat on land, to say that this land if sold will be used for the following purpose in perpetuity, then I think you could see a relaxation immediately in sale attitudes, but as my honourable friend from Ethelbert Plains will appreciate it's a pretty tough thing to do in a legal sense, and you are trying to avoid getting back into that old jackpot that the province found itself in for so many years where uneconomic land was put out for sale the wrong way.

One word quickly about improvements. Improvements to grassland do not result in increased leased price to the lessee. In fact, the program is so established that if he makes improvements then he gets a longer period at the existing lease price. I think we debated this about two years ago and I don't know that I entirely convinced my honourable friend then, but that is the case. The other question, as to whether or not the Crown should make these improvements, that has certainly some interest to it. We could take a look at that, because I can say that the amount of grassland improvement that has gone on has been small at the present time. Mind you, the amount of land under lease at the present time is very great. The number of annual permits that have been converted to long term leases is tremendous, and I think there is an Order for Return which will be coming down to give my honourable friend those figures.

MR. EVANS: Mr. Chairman, is the Committee inclined to pass this item?

MR. MOLGAT: I was going to ask some more questions on the item, Mr. Chairman.

MR. EVANS: In that event, Mr. Chairman, I move the committee rise.

MR. CHAIRMAN: Call in the Speaker. Madam Speaker, the Committee has adopted certain resolutions and asks leave to sit again.

#### IN SESSION

MR. COWAN: Madam Speaker, I move, seconded by the Honourable Member for Pembina, that the report of the Committee be received.

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

MR. EVANS: Madam Speaker, I beg to move, seconded by the Honourable the Minister of Mines and Natural Resources, that the House do now adjourn and stand adjourned until 2:30 Monday afternoon.

MADAM SPEAKER presented the motion and after a voice vote declared the motion carried and the House adjourned until 2:30 Monday afternoon.