

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Friday, March 15, 1968

MR. SPEAKER: Before we proceed with the business of the House, I'd like to introduce to the honourable members our guests for today. On my left in the gallery are 60 students, Grades 7 and 8 standing, of the Morris Consolidated School. These students are under the direction of Mr. Kauenhofer and Mrs. Peters. This school is located in the constituency of the Honourable Member for Morris. On my right, there are 20 students of Grade 11 standing, of the Ste. Agathe School. These students are under the direction of Mr. Delaquis. This school is located in the constituency of the Honourable Member of La Verendrye. On behalf of all the honourable members of the Legislative Assembly, I welcome you all here today.

Proposed resolution of the Honourable Member for Virden. The Honourable Member of Virden.

MR. D. MORRIS McGREGOR (Virden): Mr. Speaker, I move, seconded by the Honourable Member from Rupertsland,

Whereas the Canadian Wheat Board makes payments to farmers on any date in the year suitable to the Board and;

Whereas the date on which the payments are mailed varies each year and;

Whereas the farmer must be able to rely on receiving his Wheat Board cheque at the same time every year to carry on his operations,

Therefore Be It Resolved that the Government of Manitoba request the Canadian Wheat Board to employ a consistent policy in mailing these Wheat Board cheques on a specific date, February 1st, and on that same date every year.

MR. SPEAKER presented the motion.

MR. McGREGOR: Mr. Speaker, in preparing this resolution I took the time to contact the Farmers Union, the Stock Growers, and most all the major elevator companies, the business and industry people, and I must say I had not one answer in the negative, I think the reason being that in many -- the winter months of January and February to business people have many people in the front office that are not fully occupied, and if the farmer had these payments a little earlier he is in a much better bargaining position, whether it be buying fertilizer or buying a tractor or a truck, and this is the reason why I suggested February 1st. I realize it does burden the Treasury of Canada possibly at certain years. Last year it wasn't the case; the payments were all out by January 17th.

MR. ENNS: Whose money is it?

MR. McGREGOR: Thanks, Mr. Minister, it's our money. It's my money. And I do feel without a firm date it does give the governing body of that day a lot of power to change and be guided. In other words, they're playing politics with my money and my farmers' money, which I don't just exactly appreciate. I don't mind playing politics with my own money but when somebody else does it it's not just in quite the same light.

Probably this year's payment, Mr. Speaker - and I'm only guessing - it would run in around \$160 million, and our agriculture people are pretty free spenders and I just think so that they can set up a firm date to plan for next spring. If it's like this year we really don't know at this hour when those payments -- and when I should have been buying my fertilizer last month, or two months ago, had I known it was there or going to be there, I could probably buy it at -- it puts me in a little better bargaining position. And with those few remarks, Mr. Speaker, I thank you.

MR. RODNEY C. CLEMENT (Birtle-Russell): Mr. Speaker, I share the Honourable Member from Virden's feeling towards the farmer and his problems, and as one who is vitally interested in this aspect I do wish to say a few words or take part in this debate. To anyone who is not thoroughly familiar with agriculture -- and there are many in this House who are not. Some of them admit it, I'll admit, but they're not familiar with agriculture -- and the Wheat Board, this resolution may appear appealing and practical. Mr. Speaker, this resolution is neither fair to the Canadian Wheat Board nor is it possible to comply with. I want to take a moment and read this resolution over again and make it abundantly clear what I have in mind. Whereas the Canadian Wheat Board makes payments to farmers on any date in the year suitable to the Board; whereas the date on which the payments are mailed varies each year; and whereas the farmer must be able to rely on receiving his Wheat Board cheque at the same time every year to carry on his operations; and therefore be it resolved that the Government of Manitoba request the Canadian Wheat Board to employ a consistent policy in mailing these Wheat Board cheques on a specific date, February 1st, on the same date every year.

(MR. CLEMENT cont'd.)

Now, Mr. Speaker, "whereas the Canadian Wheat Board makes payments to the farmers on any date in the year suitable to the Board." I suggest, Sir, this is just simply not true. If you're looking at it from the selfish point of the -- if there is such a thing as a Wheat Board, that they're just doing this whenever it's convenient, they're not doing this. The money that they have, as the honourable member mentioned, is the farmers' money. It belongs to the farmers. And the Wheat Board is anxious to pay this money out at the earliest possible and convenient time that they can do this, but, Mr. Speaker, I suggest they can't do this until the Wheat Pool has been closed, the wheat has been sold, or at least the majority of the wheat they can carry over, maybe 100 million bushels, or 50 million or 150, but they cannot close the books just when they feel like it and turn this money over. This grain has to be sold. They have to have the money to pay out with.

Now, in 1966, the Wheat Pool closed its books in December, the final payment came out on February 1st, and I agree with the honourable member, February 1st is the ideal time if it's practical to do this. But it isn't practical to do it if you haven't sold your product. There have been other years when the final payment was made much earlier. In 1961, I believe it was, the Pool closed in I believe it was November, and if they have their grain sold and the money in the bank are they supposed to hang on to this money and keep the farmers' money until the 1st of February? I don't think so and I don't think this is really what the honourable member wanted. The 1966-67 crop, the Canadian Wheat Board handled the largest delivery in history, 638 million bushels. This is a terrific year and this is the money that we are now waiting for.

I think it wouldn't do any harm to refresh a few of the members' minds in this House, and some of them don't know, just the kind of business the Wheat Board have been handling the last few years and I could start -- I have the report here and I could go right back to 19... well, it goes right back to '41 or '42, but it's never been my intention to take a lot of the time of this House just to use up the honourable member's tape -- I have no intention of doing this -- but in 1961, for instance, there was 305,345,000 bushels of wheat handled. In 1962-63 there was 474 million-odd. In 1963-64, there was 568 million-odd; 1964-65, 524 million; 1965-66, 569 million; and last year some 638 million bushels of wheat. Now with this variance it depends on the markets of the world, how well they're able to dispose of this grain, when this money can be brought forward. There have been years when it wasn't paid until May or even June. The crop year is from August 1st to July 31st and the farmers are naturally interested in getting their money as quickly as possible. This is human nature. Everybody is, and I know from a businessman's point of view that the farmer needs this money to make other payments. If it's the first of March he has his license to pay for his cars and his trucks, he has his hospitalization; April, he has his income tax to pay if he's fortunate to have it, and he has his account with the local businessmen in the town. However, these are one of the problems.

I also think I should point out just briefly how the price of this grain has varied. Everybody talks about the cost-price squeeze and everyone knows what it costs to live today, what it costs to buy, whether it's a house, furniture, or an implement -- perhaps you are not so familiar with implements -- but in 1945-1946, the farmer received a total of \$1.834, in other words almost \$1.83-1/2 a bushel for his wheat. This is at Fort William. Now the freight comes off of this. That was in 1945. In 1955, ten years later, he received a total of \$1.60, almost \$1.61, which is 14 cents less than he received ten years before that. In 1961-62, it got up to \$1.91; in 1964-65, which is 20 years after the war, it was \$1.88, roughly 4 cents more than he was getting 20 years before. Now I don't need to go into a long oratory to tell everyone here that it costs at least two to three times, if not more, to buy a tractor, a combine or anything else that's on a farm, and consequently a nickel a bushel more over 20 years is not helpful and the farmer is in the cost-price squeeze. However, this perhaps can be left until we get into the Department of Agriculture.

There is no argument, Mr. Speaker, there is grave concern among the farmers regarding the present sale of wheat. However, for the first six months of the present crop year, the farmers have delivered to the Wheat Board 254 million bushels of wheat, and I know and feel confident that the second six months is going to be equally as well. Well now this is -- I think it's generally accepted that the Wheat Board can handle roughly 500 million bushels of wheat. This isn't too far off for an average crop; I think over the years it's above average. So I think that the Wheat Board are doing a reasonably good job and I'm not here to uphold or defend the

(MR. CLEMENT cont'd.) Wheat Board. I suggest, Sir, that 99.9 percent of the farmers in rural Manitoba today support the Wheat Board. There is no doubt about it. But, for the Honourable Member for Virden to stand up and present a resolution suggesting that they pay this money on the 1st of February simply isn't in my opinion, feasible. It's a popular thing to say and most politicians like to say the popular thing. However, as usual, I am going to come to his assistance - I'm always prepared to help members on the other side - and I intend to move an amendment. -- (Interjection) -- Well, it's a very simple amendment, Mr. Speaker, but it is what we want. Wait until I find this amendment and I'll give you a copy of the speech -- here it is. And I wish to move, Mr. Speaker -- I've already got the Honourable Member for Neepawa's name. He isn't here, so I'll . . . I wish to move, seconded by the Honourable Member from St. Boniface, that the motion be amended by striking out all the words after the word "farmers" in the first line thereof and substituting the following:

"at various dates which are governed mainly by the supply and sales position of the three pools it operates on behalf of the producers of wheat, oats and barley;

And Whereas these payments are the farmers' own money and their early receipt greatly assists them in carrying on their operations;

Therefore be it Resolved that this House recommend to the Government of Canada that they request the Canadian Wheat Board to issue all payments at the earliest possible date consistent with the sound operation of the wheat, oats and barley pools.

And Be it Therefore Resolved that in any crop year when this is not feasible by February 1st, that interim payments be made."

MR. SPEAKER presented the motion.

MR. MICHAEL KAWCHUK (Ethelbert Plains): I'd like to move, seconded by the Honourable Member for St. John's, that debate be now adjourned.

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

MR. SPEAKER: The adjourned debate on the proposed resolution of the Honourable Member for La Verendrye. The Honourable Member for Brokenhead.

MR. USKIW: Mr. Speaker, I certainly am pleased today to stand up and deal with the question of problems related to agriculture. I think it was a proper thing on the part of the Honourable Member for La Verendrye to pose the question as to whether or not a full-time Minister of Agriculture is necessary in Manitoba at this particular time.

I don't think I can quarrel with his resolution, in fact I endorse it. I had intentions of raising the matter during the departmental estimates, but nevertheless it doesn't hurt if we repeat the issue before us on more than one occasion, because I'm sure that to members that are not acquainted with agriculture that some repetition is necessary to sink home the idea that the primary industry in Manitoba is indeed agriculture.

The Honourable Minister has indicated to us last year and this year that the total production of agriculture hovers somewhere around the half billion dollar mark. This is certainly a substantial amount of production, but apart from that there are many industries in Manitoba that are indeed directly linked to agricultural production, so that the net economic benefits from half a billion dollars of agricultural production is I am sure much greater than the figure which we tend to present to members of the House. So I feel that it is an important issue and I feel that the department should be headed by a Minister that does not have any other responsibilities.

As late as this morning the Minister had made mention of the fact that he is a full-time Minister of Agriculture. Mr. Speaker, I don't know how he arrives at it. I understand, and I may be corrected, that he also handles the Department of Highways, and if he is indeed the full-time Minister of Agriculture, who is the Minister of Highways? This is something that I'm sure -- (Interjection) -- Pardon me? Nevertheless, Mr. Speaker, I think that unlike the predecessor to the First Minister, who took the position that agriculture was extremely important and at one time suggested that it must have a full-time Minister, that unlike that position, our new First Minister has adopted a secondary role for agriculture, in spite of the fact that he is branded as a rural premier of Manitoba, and of course the qualifications for that particular distinction were given to you by my honourable colleague, the Member for Seven Oaks, earlier this morning.

I myself, Mr. Speaker, am terribly disturbed, terribly disturbed that we have relegated the department into a position where it has less importance than other departments in that there are so many rapid changes developing in agriculture, and the Honourable Member for

(MR. USKIW cont'd.) La Verendrye the other day elaborated on some of these changes, namely, the synthetics entering into the dairy aspects and so forth. The other day there was a news item about less demand for wheat, or for the high quality of wheat which we are producing here in Manitoba, and I wonder if perhaps I should quote part of it, but I'm sure that most of you have read it and are fully aware of it, that it is now possible to produce a dough for baking purposes with lower qualities of wheat and that it is no longer necessary, because of technology and other matters related thereto, that we have to in fact rely on the hard wheat of the prairies of Canada. So in effect it appears to me that there is a great need for research into the whole area of grain, whether it be wheat or whether it be some other grain for livestock, for uses of livestock, for feed and so forth. I am told, for example, that in Manitoba we have the services of one-half of one man at the University of Manitoba dealing with research on a variety of corn which would adapt to our climatic conditions. Now I don't know whether this is an accurate assessment, whether it is one man devoting half of his time towards this type of research, or whether this is something that has been rumoured. Possibly the Minister might clear the air. But if this is so, this demonstrates to me the lack of real interest on the part of the government in doing research in areas which are vitally important. So I say I can heartily endorse the resolution as introduced by the Member for La Verendrye.

I could accept, perhaps, a Minister of Agriculture, if he was a Minister of Agriculture that has had some years of experience. Possibly I at that point would say that he has established his capacity and perhaps it isn't too bad if he has to deal with two departments, but truly, Mr. Speaker, we have a Minister that is a rookie in the House, the same as a lot of us, that hasn't oriented himself in the Department of Agriculture, truly hasn't, and I'm sure you are all aware of the fact that he has been confronted by many problems that he has been unable to cope with, that he has contradicted himself on many occasions in dealing with these problems, and that it's a true fact that he hasn't really oriented himself in that one department. So I say it's unfair on the part of the First Minister to suggest that the Minister of Agriculture's in a position where he can assume greater responsibilities. The Minister himself this morning indicated to us that insofar as his relations with Ottawa are concerned, that he must deal with several people on agricultural matters. This in itself dictates that it is required that he spend more time in his Department of Agriculture, so I don't agree at all, Mr. Speaker, that the Minister of Agriculture should share his services with that of the Department of Highways.

To indicate to you, for example, one of the reasons I feel that the Minister is not truly oriented in Agriculture, is by example of what takes place in this very Chamber from time to time. As a matter of fact, I'll go back just a few days whereby I had posed a question to the Minister as to whether or not he had made representation to Ottawa on the question of value for duty on American potatoes entering the western zone, and one the first question he said no, he had not made representation. On the second question, which followed the next day, I asked him why he hadn't made representation. He said well in fact he did, but it was through the Manitoba Marketing Commission, which is an arm of government, and of course the position of the Government of Manitoba was made known to people at Ottawa. Now surely this isn't a responsible approach to his department. I'd say, Mr. Speaker, that the Minister was truly confused on the question and was unable to give us the proper answer at the proper time. So I don't believe, Mr. Speaker, that the Minister has the capacity to absorb into his --(Interjection)-- yes, another department. I don't feel that the Minister really can undertake such a gigantic operation.

If it was because of the fact that the First Minister felt obligated to the Honourable Minister of Agriculture for his efforts in proposing that the Honourable First Minister indeed become the Premier of Manitoba, in their leadership deliberations, if he feels that he owes him something, and that if he feels he can fulfill this debt by means of establishing or creating a situation of greater prestige on the part of the Minister of Agriculture by assuming another department, I say, Mr. Speaker, that it isn't; it is doing exactly the reverse. Because you can only build on a solid foundation and I assure you, Mr. Speaker, that many of us in this House don't feel that the Minister at this stage of the game is qualified and therefore he does not have a solid footing as to how to run affairs of the various departments within the Government of Manitoba, and I don't have to relate the many instances which date back to last year and the year before which, in fact, prove my point. The Minister was truly at a loss to cope with situations and I will deal at greater length with respect to these matters during the

(MR. USKIW cont'd)... estimates of his Department of Agriculture. But at this point I want to say that Manitoba cannot afford a lackadaisical approach to the questions and the problems of Agriculture, and if we're going to have one Minister devoting his time to two departments, and one of those being the Department of Agriculture, I say that is a lackadaisical approach, and I don't believe that the First Minister should pick on the Department of Agriculture as being the area where he can compromise positions. So, Mr. Speaker, I wholeheartedly endorse the resolution. I only wish that the First Minister was in his seat there so he would take this to heart. I'm sure he has other members in his caucus who are quite capable of assuming departmental responsibility. I'm sure that there are eager beavers on that side of the House who would be willing to assume the portfolio of Minister of Highways or Agriculture, whichever it might be. Thank you.

MR. SPEAKER; Are you ready for the question?

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

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

MR. SPEAKER: The proposed resolution of the Honourable Member for Assiniboia. The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I ask the indulgence of the House to have this resolution stand.

MR. SPEAKER: Does the Honourable Member have leave? The adjourned debate on the proposed resolution of the Honourable Member for St. James. The Honourable Member for Seven Oaks.

MR. MILLER: Mr. Speaker, I ask the indulgence of the House to let this matter stand.

MR. SPEAKER: Agreed? The proposed resolution of the Honourable Member of Inkster. The Honourable Member for Inkster.

MR. SIDNEY GREEN (Inkster): Mr. Speaker, I would request the indulgence of the House to let this matter stand.

MR. SPEAKER: Agreed? The adjourned debate on the proposed resolution of the Honourable Leader of the Opposition. The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, the Leader of the Opposition who proposed the resolution which is now before you, spent some of his comments, although I concede not the major part of his remarks, suggesting that we members of this party, the New Democratic Party, were in some way opposed to the suggestion that there be development of the mineral resources of the Province of Manitoba, and I think in making that suggestion, Mr. Speaker, the Leader of the Opposition indicated that somehow if there was a choice by this party of giving some incentive towards having the nickel development at Thompson proceed and not having it proceed, that somehow we would choose to not have it proceed. And I think that in trying to set the alternative in this fashion, Mr. Speaker, that the Leader of the Opposition had his doctrinaire blinkers on in suggesting that there was only one way in which the mineral resources of this province could be developed. I suggest to him that he knows full well that those are not the alternatives, and indeed there are many other alternatives, and if he was not as doctrinaire as he apparently sets himself up to be by this resolution, he would readily concede that there are better and other ways of making sure that Manitoba's resources are developed for the people of this province.

First of all, Mr. Speaker, I would like to take the development at Thompson as an example because I think it is an excellent example. In Thompson we have one of the largest and most wealthy nickel resource developments in the world and we have a thriving industry. An abundance of wealth is being produced in Manitoba, and as a matter of fact it's wealth that was in Manitoba before the International Nickel Company came here. They didn't create it; they succeeded in exploiting it, and I hasten to say right here and now I don't blame the International Nickel Company at all for what they've done; I think that they've done what any industry should do, take advantage of the opportunity to make a profit for their corporation. If there's anybody to be blamed for the fact that Manitoba gets less than I think it would be entitled to from the nickel resources of this province, it would be the government at the time, who felt that this was the most profitable way of developing the nickel, and I think it goes without saying that I disagree with them but nevertheless that's the way they did it. And I feel sure that the Leader of the Opposition and members of the House

(MR. GREEN cont'd)... will say, well, look at what's happened to the gross national product of the Province of Manitoba; look at the jobs that have been created, and look at the wages that have been created; and I ask, Mr. Speaker, to really have this House look at those things, examine what has occurred in Thompson, again, I repeat, one of the largest nickel resources in the world, truly a source of great wealth for the people of the province of Manitoba, and should result in the people of Manitoba, who have this wealth at their disposal, somehow bettering their lives and their living conditions as a result of this.

But what has actually happened in that area? First of all, it's true we have a company which is making a lot of money and which is adding to the gross national product. We have a town of 15,000 people, many of them steadily employed by the International Nickel Company of Canada. But do the people who are living and working in Thompson, do they have the opportunity that this abundance of wealth should create for the people who are actually working there?

Now, Mr. Speaker, first of all, I won't even attempt to discuss the wage situation. I think that the wages at Thompson in comparison with other places are probably higher and of course they would be higher; there has to be some sort of premium to get people to go to Thompson. When they get there we find that the housing situation is, Mr. Speaker, to use a conservative word, it's intolerable. I know from personal experience, because I canvassed door to door in an election campaign, I canvassed the homes of Thompson, and when one looks at them --(Interjection)-- We didn't do that badly. I'm not going to go into it. I went into it last year but I won't go into it again. We find that the homes of Thompson look like the homes in a Winnipeg suburb - six-room bungalows, side drives, relatively well constructed and nice-looking homes, and the first thing one is impressed with is that the workers at Thompson, they're at least three or four families, because the driveways do not have one car in the driveway; they have four cars in the driveway. And when one goes further one finds that there are not four cars in the driveway because the family has four cars, but rather because there are four families living in the house, and I say this, Mr. Speaker, without exaggeration. There was one home that I canvassed that had four adult families, plus a housekeeper who looked after the eight adults, and if adults do what I expect that they would do and which I have succeeded in doing to the extent of five children, let's give them an average of two, that there would be 17 people living in that single family dwelling, and this is not an unusual situation; this is the general situation. I know, Mr. Speaker, that when I canvassed one home I asked for the name of the person who is living there and I was told they lived downstairs, and I went down the stairs and I expected to come to some area where there would be a partition and I would knock on the door and somebody would come to the door. That's not what happened at all. I walked down the stairs and I was in the home. The bedroom was there, the kitchen was there, and I really couldn't understand the people upstairs sending me down into a home of that kind where one would not know what to expect, but this is very usual in Thompson. I'm told by the people in Thompson that the separation rate is very high because there is almost no family that doesn't have boarders and that this creates a situation - the Honourable Member for Churchill will know whether what I'm talking about is correct - this creates a situation where the family life that we propose as being healthy for the people of Manitoba is not given the same opportunity to sustain itself in Thompson as it is in other parts of the province. I am told, Mr. Speaker, and I welcome the Honourable Member for Churchill to correct me if I'm wrong, that they have gone to the extent of using the same bed for different shifts; that one man gets up and goes to work, that the other man comes back and takes his bed, and that this is the kind of living conditions which have resulted from one of the biggest nickel strikes that the world has ever seen. This is what we have as a result of it.

There can be many excuses for this. We could suggest, well the people are going up there, and this does happen, to make a fast dollar, to live there for awhile and come back, but if that's the situation, Mr. Speaker, then it still proves that we have not yet learned to provide a quality of life which is consistent with the wealth that is there, that is located in that particular area. Let's face it. The people in Thompson do not have access to the rest of the province of Manitoba. They do not have the same vacation opportunities. I would suggest to you that if a family wished to live permanently in Thompson, it would be very difficult for any of their children to get a higher education. I suggest that the families that wish to live permanently in Thompson do not have all of the opportunities to develop their

(MR. GREEN cont'd). . . personalities and their capacities to the extent that they should have, if we remember that it is not a poor area. It is an area that has one of the largest nickel strikes, again, as I say, in the world. So I think that we have to talk in terms of developing our resources measured more than just by the increase in the gross national product, which I am afraid that I must say is the impression that I got from my honourable friend's speech, the Leader of the Opposition, who introduced the motion. The main thing was to increase the GNP and somehow the good things that an increased GNP would create would filter down to the people who happened to create it. I am very pessimistic that this would happen, Mr. Speaker, and I haven't seen that it has happened in the past.

But I am indebted to my honourable friend and I think the House is indebted to the Leader of the Opposition for bringing this proposal forth, because I think that the basic point that he makes, for instance, of the resource potentials of the province of Manitoba are very, very true. For instance, my honourable friend says that the Pre-Cambrian belt is an area which is consistent with the opportunity of developing mineral resources, and I would indicate, Mr. Speaker, that the area extends far more than some people ordinarily think it does - it extends from Lac du Bonnet north, not just north in terms of The Pas, - that the geologists will tell you that once this type of area is ascertained, that the probabilities of establishing mineral wealth in that area are the same in every location in Canada. In other words if you had, let us say 400 square miles of the area that we are talking about in the Province of Ontario and 400 square miles of the area that we are talking about in Manitoba, then the probability of mineral resource development in each of the areas would be the same. There would be no difference. What has happened? In Manitoba we have 40 percent -- the area that my honourable friend is talking about is 40 percent the size of the similar Ontario area. In other words, the Pre-Cambrian belt in Ontario as compared with the same area in Manitoba makes theirs 40% higher. Well, ours is 40 percent of theirs and yet the amount of mineral development that takes place in the same potential area is 20%, so we are roughly half - - we have done in Manitoba roughly half of what they have done with a similar area in the province of Ontario, and this is very important, Mr. Speaker, because we often have people telling us that Manitoba is a poor province in terms of natural resources, and the figures that I present here and suggest to you indicate that we are not a poor province. What we are is an underdeveloped province, because the potential is twice the amount that we have developed to this day, and worse than that, Mr. Speaker, worse than the fact that we are underdeveloped, is the fact that nothing is really happening in Manitoba to see that development does take place.

My honourable friend suggests that what we need is a system of incentives, and he says that this system of incentives would assist in the attracting of prospectors to the areas which would then result in the strikes, which would then result in the mines coming in, and I suggest, Mr. Speaker, that this is not the -- first of all, that the incentive program is something which I'll deal with in the future, but on a technical basis, that what is needed is not prospecting; what is needed is the geophysical surveys and the geological mapping which would discover the places of the mineral resources, and it won't be done by prospectors. The geophysical surveys that have been done by the mining companies that are in this field are done first of all by technical machinery - and I admit that I'm not even going to attempt to explain it except to say that it is not prospecting. The first work is done geophysically with airplanes and electro-magnetic devices to discover the resources, and the mapping is then done subsequently; and my advice is, Mr. Speaker, and I welcome the Minister of Natural Resources to correct me and I hope he does correct me, is that the rate at which we are presently mapping these areas, it would take 100 years to finish what we have to do, and by that time, by that time the maps which were more than 20 years old would be obsolete. In other words, not only would we be 100 years behind but 80 years of the work which we have done would be obsolete, and that this is the basic difficulty which prevents exploration in Manitoba.

I understand that in the Department of Mines and Natural Resources that they have very few geologists on the staff and furthermore they don't have the attitude that it is their responsibility to make these explorations, to do the mapping which is necessary as a prerequisite to proper development taking place. I suggest, Mr. Speaker, that the entire attitude of our government towards the mineral resource development of this province has to change, and I suggest that it really has to change much more dramatically than has been

(MR. GREEN cont'd). . . suggested by the Leader of the Opposition. The attitude of the government appears to be, or has been up until now and I hope it's changing, to do relatively nothing, and I don't want to use the word "nothing" because then they'll be able to show that they did make a map last year - so relatively nothing. The attitude of the Leader of the Opposition is that we should give incentive to people to make these explorations and that the incentives will then attract people. Now, Mr. Speaker, I suggest that they are leaving out the most productive method of developing these resources, and that is to do what the people in the business would do: to spend the money; to go ahead and find the resources, and if necessary to develop them. This is what was done by the -- well, my honourable friend the Attorney-General appears to be amused by those remarks. I think that I can demonstrate to the Attorney-General that this is the way of making the most money. I have here --(Interjection)-- Well, no, right here in Manitoba. I have here, Mr. Speaker, a document. I'm not going to lay it on the table but it's a number of shares in the International Nickel Company of Canada, held by myself. These shares, of course, entitle me to the benefit of those resources that are being -- I notice that my honourable friend the Provincial Treasurer has a lot more respect for me now that I'm a shareholder of International Nickel Company.

MR. EVANS: If anybody has got any money I'm interested.

MR. GREEN: That's right. I knew that would impress you. First of all, this entitles me to a certain return every once in awhile as a result of the nickel resources in the province of Manitoba. I say that if Manitoba was the shareholder, if Manitobans generally were the shareholders, they would be entitled to the same returns that I am as an individual shareholder. I would like you to note that they pay their dividends in good United States dollars, the International Nickel Company of Canada. Their cheques are made payable in United States dollars which should be . . . --(Interjection)-- Oh I'm not telling you how much. I'll tell you this. I wish it were more, but I'm not telling you how much.

MR. CAMPBELL: I'd like to ask my honourable friend, who is a distinguished legal light and who knows the rules of this House, if he is aware that he must not vote on this motion?

MR. GREEN: Mr. Speaker, I don't agree with the honourable member. He doesn't first of all -- there is nothing in the motion that the Leader of the Opposition has put that I couldn't vote for him, and there is going to be nothing in my amendment that I couldn't vote for him. But nevertheless, I'd like to continue --(Interjection)-- I'd like to continue, yes. I have a personal interest in everything that goes on in this House - I'm going to vote on it too.

Mr. Speaker, then we -- another thing that I'm entitled to as a result of being a shareholder of the International Nickel Company, is an annual statement, which is very interesting. It shows that their income, net earnings, and that's after counting taxes because they don't let taxes affect their earnings. I think that that's a good smart thing for a company to do. For the year 1967, it was \$141 million -- we don't know how much of this was made in Manitoba. But what is interesting is the 15-year review, where I suggest to you Mr. Speaker that you can see that this company's income never went -- the net income has never gone down by virtue of the payment of taxes. And there's a very simple reason for it. Whenever taxes go up and the International Nickel Company doesn't wish to be affected by it, it merely raises the price of its nickel resources. And one of the things that they say in this year's statement is that in 1967 net sales totalled \$713,000 as compared with \$694,000 in 1966, an increase of \$19 million -- that should be millions. Better prices for nickel and copper were primarily responsible for the increase in 1967 net sales. So this is the only way Mr. Speaker, that you can actually increase wealth -- by using this system, they've increased their wealth by reducing their productivity. You would think that the Free Press would scream with alarm that if a worker wants more wages, and he produces more, then he should get more money, but heaven forbid that there should be any discrepancy between production and wages, as these things have to go hand in hand, and I suggest that they do. But with the International Nickel Company of Canada, they can reduce production and increase wages, the wages of themselves for what they are selling.

So I suggest that my honourable friend the Attorney-General shouldn't laugh when I suggest that there is a way of making more money than what can be made merely by given incentive and conducting some sort of auction sale, which is a self-defeating process in itself. If we make the incentive so many dollars that we remove somebody from Saskatchewan;

MR. GREEN cont'd) . . . then the Saskatchewan Legislature next year has got to say, we've got to increase the incentive to get those people back from Manitoba. And all we are doing is continually upping the price and leaving less to be returned to the people of the province of Manitoba.

Mr. Speaker, I suggest that the position that is being pursued by this Party is not at all doctrinaire, that it is the position that is being pursued by the other party that is doctrinaire, because all we are saying is that this manner of development be considered a manner of development. My honourable friend who introduced the motion suggests that the way of increasing the resources of Manitoba, the way of getting an increased share of the mineral resources, is by giving an incentive to the prospectors apparently, who are then going to discover the strikes which are then going to be developed by some company which will hopefully make a lot of money and that some of this will find itself into the pockets of the people of the Province of Manitoba. We don't suggest that that is the only way of doing it, and we suggest that -- and if I were to make my personal suggestion, I would say, certainly this is the way of doing it, because my experience has been that it's the owner who gets the biggest share, that I say that I want to be the owner. If my honourable friends over there like it, I'm an ultimate capitalist, I believe that the people of the Province of Manitoba should make as much money as they can, and the best way of making it is to do what the International Nickel Company is now doing, and I suggest, Mr. Speaker, that there is no reason why we can't do it. I'm not suggesting that that is the only way; I don't wish to be doctrinaire, but I'm suggesting that that is one of the ways.

So, Mr. Speaker, I would move, seconded by the -- I just want to make sure I've dealt with everything that I wanted to deal with. --(Interjection)-- You think it's enough. Mr. Speaker, I would move, seconded by the Honourable Member for St. John's, that the resolution be amended by eliminating all the words after the word "and" in the second paragraph thereof, and substituting therefore the following:

"Whereas there is a public responsibility to encourage and facilitate the development of the mineral potential belonging to the people of Manitoba, in such manner as would insure that the benefits of such development would accrue to the people of Manitoba; Therefore be it Resolved that the Department of Mines and Natural Resources undertake an intensified public program for the exploration of our mineral potential, and that the active development of producing mines be conducted in such manner as would result in the greatest possible benefits accruing to the people of Manitoba, and in this regard consideration should be given to co-operative and private enterprise, Crown corporations or to a combination of these forms".

MR. SPEAKER presented the motion.

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MR. SPEAKER: The Honourable the Minister of Mines and Natural Resources.

MR. DONALD W. CRAIK (Minister of Mines and Natural Resources) (St. Vital): Mr. speaker, I'd just like to speak briefly on this. It's pretty hard to disagree with this amendment, particularly because most of what the Honourable Member for Inkster has suggested has been taken into consideration and in many cases is active.

I'd like to go over briefly some of the things that are being done in this connection and which refer equally as well to the original motion that involves, primarily, mining incentives. Now I think probably most of the members have heard of the Project Pioneer which was taken on back about two years ago in the eastern part of the province. This is essentially, I think, what the Honourable Member from Inkster is referring to by intensive geological survey work. Coupled with this Project Pioneer was the installation at that time of the mining assistance program which essentially gives mining assistance to prospectors - or gives the incentives and the financial backing to go into an area such as this and couple up the intensive exploration work with the geophysical work that is going on at the same time. The Project Pioneer that has been operational on the east side of the province is reaching its stage of completion in 1968 and we're expecting to get some fairly realistic results from it in that area.

We also believe that this particular part of the province holds considerable promise in terms of future mines. If some of the members have gone over the existing maps and so on, it's quite clear that there are mining potentials in that part of the province and there's not much question that we will see further development in that area.

Going back partially to the original motion, the mining assistance program which we have in Manitoba is pretty well identical to the one which is in existence in Saskatchewan that the Honourable Leader of the Opposition referred to. The amounts of money available are the same. As a matter of fact, the program in Manitoba is actually more widely embracing than that in Saskatchewan in that it covers the total Province of Manitoba and not just the Pre-Cambrian Shield. The difference that I think probably that the Honourable the Leader of the Opposition has pointed up is that not all areas of Manitoba have been designated as coming under the mineral assistance program - or exploration program. But the Act actually provides for the implementation of the program not only in the Pre-Cambrian Shield but in the entire geographical area of the Province of Manitoba. This in itself provides an incentive, and I think that when we feel that the particular area can be vastly assisted by implementation of the program, that there is no inhibition against this being done.

I think we also should realize that Manitoba's mining industry -- the Honourable Member for Inkster has pointed out and made the comparisons with Ontario. Ontario of course is an older province and has been in the mining industry and, like other industries in Ontario, it dates back further in the history. It's little wonder that our development in Manitoba is maybe - apart from geological and metallurgical reasons - apart from these reasons it could be historically that we have as much development potential. That we don't know. He is assuming that our area of the Pre-Cambrian Shield actually embraces as much mineral potential as that in Ontario.

Now if you want to carry his comparison along a little further, one might ask why hasn't there been more development in Saskatchewan, because if you compare Saskatchewan with Manitoba, their development is pretty miniscule compared to the development we've had in Manitoba. The program which the Saskatchewan government is working on now, the mineral assistance or exploration programs they have, they are spending great deals of money there but they still don't have anywhere near the production capacity that Manitoba has, and we'll certainly watch very carefully to see whether in fact their program actually is productive. In Manitoba we now have, I think, 10 companies that are participating in our program in the eastern part of the province that exists in the area mentioned east of Lake Winnipeg between the 51st and 53rd parallels.

The other thing that I think maybe should be brought to the attention of the Honourable Member for Inkster is that an equity position by government is already in the Act-whether he has read it or not and was aware of it - which may also tend to make you wonder the value of this amendment. An equity position is there if the situation arises where a strong mineral potential is known, and in order to get it into operation the government can go into an equity position with a company to do so. So far such an area has not been identified, but the powers are there and in the cases which demanded it, this position could be taken.

(MR. CRAIK cont'd.):

I think one other point that I thought possibly might have been made, and I was waiting for the Honourable the Member for Inkster to make it and he didn't make it, and I think perhaps we could refer to the Honourable Member for Rhineland to make it. I thought they may have loaded both barrels and came at us with the information that was handed on from British Columbia yesterday with regards to their mining royalty act, but with this amendment on this particular private member's resolution we may yet have something to hear about that. However, I won't mention it at this point - I assume likely that it may come up before the end of this debate.

Now just to finalize this, we're talking primarily about incentives to the mining industry. I think the point is well taken that the Honourable Member for Inkster has made with regard to the value of geological information as opposed to information which you gain from actual sporadic mine drill holes. Under the incentive program, if the individual prospector goes in and, on the basis of a small amount of information feels he might make a strike and he doesn't make a strike, the information which we gain back from it in a total picture is pretty limited. If the same amount of money is actually put into a geological exploration we can, over a slightly longer period of time, come up with something that is much more meaningful to the long-term development of our mining industry. I think this point is well taken and it's one that we have had under consideration. I think that over a period of time this long-term investment in more intensive geological exploration such as we are now carrying on under the Project Pioneer type approach - which is an experimental approach, we're gaining information from it - I think you'll find that we're going to be putting considerably more emphasis into this approach, and, long-term wise, we feel that really at the moment that this exploration work - geophysical and geological exploration work - is more meaningful than that which we will get from the exploration assistance program.

One other point that I would like to make that I think has been overlooked here and that is the fact that in terms of actual mine development and the final intensive exploration work that is required to find mines in most of our northern parts of the province, the real big factor is roads. It's pretty hard to say, when you look at the development of the province, whether the mines have brought the roads or the roads have brought the mines, and I think if you look at this a little further that you may find that this is true.

The extension of No. 6 highway and the road from Lynn Lake to Thompson goes through some of what we consider prime mining potential country. It has tremendous geological promise. We're very hopeful, and in terms of the statistics you can put on - which are pretty intuitive - we feel that it will be very surprising that if along these roads there are not mines developed.

The Resources Ministers Conference which brings together the resource ministers from the various provinces once a year have put forth motions to the Federal Government asking for assistance on these roads, because it isn't only Manitoba, all the provinces are convinced that the secret to the development of mines is adequate access to the country, and I think your mining people in northern Manitoba will verify this with no hesitation. Now we haven't called it the Roads to Resources program. That was brought in under a previous Federal Government and was dropped by the present Federal Government, probably because the name became popularized and the program, so-called roads to resources, lost its emphasis. What the Mines and Resources Ministers are asking for is re-implementation of this program, with the money that was devoted to that put back into the roads that open up the north. This, I think, is the secret. If we have adequate transportation facilities and correct geological information, and also with adequate exploration incentives, there's no question that Manitoba has a bright future in its mining industry in the north.

MR. SPEAKER: The Honourable Member for Churchill.

MR. GORDON W. BEARD (Churchill): Thank you, Mr. Speaker. I'm sorry the Honourable Member for Inkster kind of caught me unawares and I suppose some of my information will be a little mixed up, but I hope you'll bear with me, Mr. Speaker.

The one thing that I do concern myself with, and as do the people of Thompson, the Chamber of Commerce, the International Nickel Company and the United Steel Workers of America, is the black eye that these people give us sometimes, and I would say to the Member for Inkster - while I believe and I truthfully believe that he feels that some of these statements he made were for the good of the people, or the future of the people - it did hurt

(MR. BEARD cont'd): us again. If it gets into the news media then it will make it all the more difficult to provide incentives for people to move to northern Manitoba. This type of criticism is not good. The publicity does not help us, Mr. Speaker. We're fighting this; we're trying to build a Manitoba. I don't talk about the government, I talk about the people that live in northern Manitoba. They're trying to get along in spite of the problems. Perhaps the lack of communication between the company and the government, perhaps the union, perhaps the extension and the expansion of the mine has demanded these things over and above even the estimates of the mining companies. But I do not believe that the housing situation is just the same as the picture that you had drawn to you just a few minutes ago.

I don't think I want to spend too much time on it, Mr. Speaker, because I certainly do not want to expand this emphasis on the hardships in that particular community. They're no different than the other communities. They're growing; they're expanding. They're expanding just as urban or urban Winnipeg is expanding. They have their difficulties in housing. People have many reasons for going to northern Manitoba and I think that in dealing with it, you deal just quickly enough by saying that the people are going there because they're not happy with the conditions they're living under in the particular town that they happen to be in. Thompson is not an old community - my goodness it's less than 10 years old - let's keep that in mind, less than 10 years old - 1960 was the time when they started to produce housing; it's only 7 years. There's over \$300 million being invested in that community. The reason that the housing shortage is there is because there's jobs there. If there weren't jobs there, they wouldn't require the houses.

Now I don't know which comes first or how much you can pile on a company, or how much you can ask of this company - and when I talk about a company I talk about the shareholders, because the member for Inkster as a shareholder in the International Nickel Company knows exactly how much he gets profit year by year from his shares. Is it 50 percent on his investment? Is it 100 percent on his investment? Does he get a dollar for every dollar he's invested in that company on a year-round basis or is it a three percent return on his investment? Is the five percent a return on his investment? If it is a three or five or a six percent return on his shares then it is a reasonable return. He could go and do that -- in fact I went down to the bank today and I put my advance indemnity in and she said, "I see you just have a general account. Would you like to put it in our five percent account? We now have a five percent and a three percent account."

So what is a good return that a company must give on a share for developing the resources of Canada? Where does this money go? Are we beating some person or persons over the head because they're stealing from us? Are they really stealing from us because they're developing the resources of Canada? I wonder. How much do we get or how much do the shareholders get? I'm not a shareholder in the International Nickel Company, but how much return do you get? When you are a part owner of the International Nickel Company, the Hudson Bay Mining and Smelting Company or whatever it may be, the Imperial Oil Company, how much are your returns as a part owner of that company? I think that's what you must ask yourself. It's time to say that one company had a \$300 million profit in a year. This makes somebody wonder, are they stealing from us? But how many people is the 300 million split up into? How many? Hundreds of thousands of people a year. How many? That's what it's divided amongst. People who invest their savings, who re-invest in Canada, because whether you know it or not the International Nickel Company of Canada is a Canadian company. Its head office is in Canada; it is not actually a foreign company. But they're large enough to look after themselves. The housing situation is just as difficult as it is in Brandon or Winnipeg or many other areas. There are not enough houses.

The International Nickel Company had a summit conference of their own. In fact I often wonder if that's not what inspired the Minister of Industry and Commerce along his same thoughts. They brought investors, presidents from all the large insurance companies, banking companies, to northern Manitoba to tell them just what was going on, to try and instill in them a faith in investing in northern Manitoba. They tried to show them that this community was going to be here for a long time. They tried to get them interested in investing their money in housing for the Town of Thompson. And this is going on in other mining communities. Lynn Lake people are doing the same; Hudson Bay Mining and Smelting are doing the same; and so will other companies try to assist the people that move to northern Manitoba to get housing. We can't expect . . . to do it all. We must realize that the taxpayer pays it

(MR. BEARD cont'd.).... whether it's municipal, whether it's provincial, or whether it's federal, it comes out of your own pocket. There's no one big pot that everybody throws into and you take out of. You've got to put your share in and we've got to remember that.

Now then let's look at some figures I quickly jotted down as I was listening. It is estimated that the Town of Thompson developed approximately \$100,000 per day during the calendar year in taxation - \$100,000 a day taxes. This is one form of revenue that comes both to the provincial and to the federal governments. The wealth is not, and should not - and as a resident of Thompson I maintain that it is not for the people of Thompson alone, it is for the people of Manitoba and it is for the Canadian people. The resources do not just belong to us because we have decided to live in Thompson. This wealth must be spread amongst the people not only of the province but of Canada.

The housing will come. I understand that the housing will be developed in a new area starting in April of this year and at this time there will be approximately accommodation for approximately 13,000 people within a two-year period. This means again with a town of 16,000 that we'll almost have reached the size of Brandon, and we hope in all deference to the member from Brandon, that we slip by within a five-year period as now estimated by the International Nickel Company, if Brandon should stay as it is now. But I think growth will come to all of the province so probably we'll be having a fair race for a few years to come. and the growth I think of Brandon and the growth of many places, and the growth of urban areas such as Winnipeg, depends entirely and to a great extent on the development of not only rural Manitoba but of northern Manitoba. I only wish the member for Seven Oaks were here now because he told us to not forget about urban Winnipeg, and we must say to him urban Winnipeg must not forget that there's another part of Manitoba.

I would like to go over some figures I picked up just as I glanced through one of the mining booklets. In 1966, mining production in Canada came to approximately \$200.00 per capita for Canada as a whole. What other industry can say that? I think we're getting a reasonable return from our resource industry. Exploration is important - as my Minister just talked about it, or our Minister - exploration is very important to mining companies and I believe that there should be some form of assistance or perhaps - I hesitate on assistance - as much as co-operation from government because the exploration goes on for many years. I believe the average is around ten years, ten years per mine that is developed.

Now on top of this of course there are many many millions of dollars that are spent on trying to find minerals in areas where there are no minerals. The International Nickel Company - again I have to refer back to them because I know it better than the others - spends over a million dollars a year in exploration in Manitoba alone. -- (Interjection) -- What do they get back? They get back -- ask your Member for Inkster; he'll tell you. He'll tell you what the shareholders get; not the International Nickel Company, the shareholders. The shareholders. His company; not mine. I don't belong to it. The shareholders get three, maybe five percent. Don't say the International Nickel Company - the shareholders. They're the ones that own it. -- (Interjection) -- N... limited. I happen to own it but I wouldn't suggest you invest too much in it. You're not going to get that kind of investment return.

I think exploration is very important. It spends approximately a million dollars a year. And where does that million come? At least half of it in wages, and particularly in northern Manitoba we're very happy because those wages are by the most part picked up by the Indian-Metis people in that area. -- (Interjection) -- I beg your pardon? Well, half a million dollars may not seem very much to you and a million didn't seem very much to Mr. Howe, but there's a lot of people up there that can sure use it, approximately forty to fifty thousand.

He says, "But nothing's happened in Manitoba in the resource industry." He's got to remember there's a hundred million dollar development recently announced last year to develop three mines at Thompson. We've heard it over and over again, but if we're going to have the adverse publicity then we've got to show the other side. We've got the Lynn Lake, the Fox Lake development. What has this done? It's provided the incentives for the new First Minister and the new acting Minister of Highways - the man that we're criticizing - I heard a little while ago he wasn't doing enough homework on the agriculture. But you know darn it, Mr. Speaker, if it takes an acting Minister to build highways in northern Manitoba this guy is the one that's showed us the most action for a number of years and I pass along my congratulations to him. -- (Interjection) -- That's fine, and I did that. But we got the right guy in there now and you're going to have a hard time getting him back. --(Interjection)

(MR. BEARD cont'd.) Well, I just think the First Minister will probably be too busy to read what I'm saying this afternoon anyway. -- (Interjection) -- No, no. You'll have to wait till I get that highway built before we do that -- (Interjection) -- Yes, we want the action, and in all fairness I think that the members on the other side of the House want the action too and they'll be making sure that he produces.

I think that in some respects that you've got to connect the hydro development at Gillam to this great complex and the development of our resources. I think it will add to it, but in many cases I believe that if it had not been for Thompson and Lynn Lake and the Hudson Bay Mining and Smelting, which were the first ones in that area, then I doubt very much whether Gillam would be considered today. I'll have to go back - I was going to save it for the Minister of Utilities - but I believe that Thompson in itself consumes somewhere around about a ninth, about a ninth of the hydro power produced in Manitoba. This is an astronomical amount.

I notice that in dealing with the States we have a deficit balance today of approximately \$10 billion in a trading deficit. The mining industry today exports approximately three billion dollars worth of products to the United States. I think that is one valuable portion that we must consider in balancing our trade deficit. The mining industry represents between 30 and 40 percent of our exports in Canada.

The returns to the people and government before mines are in production are great. We seem to be dwelling on Thompson. The International Nickel Company obligate themselves to \$200 million plus ten years of exploration before they produced a dollar profit and they'll go on producing it for many years. But if you look back a little further, where did this two and three hundred millions of dollars come from? Where does it come from? The re-investment of the profits of the International Nickel Company in Canada - the re-investment of capital. After that, then comes the money to the shareholders. But the International Nickel Company, made up of shareholders all over the world, are people that are developing private enterprise, sharing with government, so really there's not much difference between just being a straight co-operator. It's a co-op - a co-op. The only bad time it has it pays more taxes than the co-ops. But I don't think that they should be built into a co-op; that might be dangerous. Let's get as much as we can out of the International Nickel Company; let's get as much.

But we've got to remember in trying to get as much as we are out of private enterprise that there are two sources of nickel today. The mining breakthrough in technology in the nickel industry alone, Mr. Speaker, is now proving up that the nickel that is down through the tropical areas, which is -- (Interjection) -- Guatemala -- the Minister of Mines could dwell on it much better than I could and I wish he had of, but it is a new type of nickel and we now unfortunately do not have a tight hold on the 90 percent of the free world potential nickel. There is this other nickel and there are governments waiting and willing to give the incentive to these companies to go down and develop the nickel in their area.

So we have to be careful that we don't force these companies to go into other areas of the world to develop the nickel. I don't say they're going to just pick up and leave, but as time goes by I think each of the general managers of the nickel companies wherever they are operating will have to justify the expense and show profits that would encourage the shareholder to continue to re-invest capital in Canada. Certainly we can't do it as government; we haven't got that kind of money. But I think we should keep that in mind.

I have a note here on how much do shareholders get in the mining companies. Last year the mining companies paid out \$302.7 million in dividends to shareholders. To add to that you've got your wages of your mining industry and your other indirect returns such as purchases of supplies, etc. In 1967, for instance, the mining industry purchased \$1,325,000,000 for mining repairs. This is something that isn't given directly to the resource industry - or given credit to the resource industries - but it does show that there are side benefits that we sometimes forget about. Over 13 percent of our labour force is involved in the mining industry today.

So I think that there are benefits that we've got to consider when we tackle these companies or tackle the mining industry in the north. We've got to remember that our north really depends on the private investments in northern Manitoba and Manitobans have got to gain their confidence. I don't want to go over the material I'm saving for my Throne Speech, Mr. Speaker, which I hope to get into on Monday, and I would like to save the remainder of it

(MR. BEARD cont'd.): for that time, but I believe that, as a whole, we as Manitobans should be upholding and presenting a better picture of living in northern Manitoba. And while I do not say we should hide from the problems - because I am one that will bring up and face up to the problems of northern living and I'm not afraid to say this, and I think that the member for Inkster had all the right to bring up some of the points that he brought, they were good ones and they were valid - but I sure wish he'd lay off Thompson for a while and let us get that work force up to where it should be. The real problem admittedly is that we need to get a stable work force. They have to have a home for their wives and children and they haven't got this. Some of the homes have a couple of families and some have maybe a bunch of boarders. They're breaking the law; everybody admits it; but each one of these people that go up there have gone up, Mr. Speaker, because they are rehabilitating themselves.

Now he mentioned that there is the old saying up there that the bed never gets very cold, one gets out and the next shift gets in. Sometimes it's one at a time and sometimes it's two at a time, but this happens, even in northern Manitoba. But it does help the people. In some cases they go up -- (Interjection) -- Not the double bed part. Yes. They're rehabilitating up there because mainly they have not been a success in the community they have come from or they have to have a new start, and generally when you have to make a new start you do not have money and they scrape together money to try and put a down payment on a home and they have to generally have a second mortgage, and then they mortgage the rest of their lives to the department store for furniture and they get sucked in to buying no down payment car and consequently sometimes three or four people living in a house help. In many cases it provides extra additional income to get these people rehabilitated. I don't say it's the proper way; I don't think it's the right way. I don't make excuses for them; I don't make excuses for the International Nickel Company. I think that, if anything, the International Nickel Company should have been more aware of what their plans were two or three years ago and had better planning, better announcements made ahead of time, so that houses and housing builders could have been introduced into the area, new schools could have been brought in. But we do find that this carries on through Snow Lake and through Lynn Lake, and probably in some cases even at Flin Flon because mining companies do have a hard time, because of the image of Elliott Lake, to get money, and we've got to win back the confidence of investment companies so that we can gain necessary funds for housing. I suppose I'm one getting to stand up longer all the time, but northern Manitoba is pretty near and dear to my heart. I think that they're coming along fairly good but we should give them a boost once in a while rather than knocking them.

I congratulate the Leader of the Opposition for bringing in his resolution. I can't really see too much that separates any Party in this House as far as the development of the north goes and I thank you all for joining in and giving us a chance to get a little publicity about the north, but I hope the papers will take good publicity and tell Manitobans, as a whole, that investments of both public and private funds in the north are good for all Manitobans, not just northern Manitobans themselves. Thank you.

MR. GORDON E. JOHNSTON (Portage la Prairie): I beg to move, seconded by the Honourable Member from Hamiota, that the debate be adjourned.

MR. SPEAKER presented the motion.

MR. LYON: May I say a few words before it's adjourned?

MR. JOHNSTON: Certainly.

MR. LYON: The subject matter of this resolution is of some interest to me because the particular legislation which is called into question here was introduced at the time when I had the responsibility for the Department of Mines and Natural Resources. I must say that I viewed the resolution with some interest and with a little bit of humor when I saw it because I thought first of all, until my honourable friend the Leader of the Opposition inserted his three words as he moved the resolution, that he had perhaps forgotten that we had such legislation on our books in Manitoba, but I'm sure, being of the brilliant mind that he is, that that point hadn't escaped him. But having conceded that to him and having then re-read the resolution, it made me ask the question which I still haven't answered as to why it's here, because he is asking us to do precisely what is being done. If he has the suggestion that the designated areas should be increased in Manitoba, then I think that he put it in an extremely awkward way, but of course that's a matter of opinion and something that could be raised at another time or more appropriately could have been done by an amendment to the Act.

(MR. LYON cont'd.):

But I think my honourable friend realizes that the essence of what he is seeking in his resolution, as now amended by the member for Inkster, has been the law of Manitoba for some two years and it then becomes a judgment question and a policy question as to where the designated areas should be, and it has been the policy, I think as we announced at the time that the Act was brought in, that there was little point initially at least in stimulating those areas where there was heavy involvement by mineral companies in investigative procedures in Manitoba. And that policy I'm sure, as the Minister has indicated, is always subject to review and can be changed if it is felt that it is needed. But I understand from the Minister of the Department that the current rate of exploration in Manitoba runs somewhere around \$7 million per year over the whole province and this is a considerably larger figure than perhaps is being experienced in other provinces of similar size. So I'm really left in a quandary, Mr. Speaker, as to how one should vote for this resolution because it really asks us to do what we are already doing.

And then as we look at the amendment that was proposed by the Honourable Member for Inkster, we find that the preamble is amended by saying that there is a public responsibility to encourage and facilitate the development of mineral potential belonging to the people of Manitoba, a responsibility which is acknowledged and carried out by this and by previous governments in such a manner as would ensure that the benefits of such development would accrue to the people of Manitoba. Now it's at this point of course that my honourable friend the Member from Inkster I think starts to fly off on one of his doctrinaire-philosophical treatises to this Legislature, for which I don't condemn him because I find that it is extremely refreshing to have this viewpoint brought to bear in the House, a House which is composed by and large of free enterprise people who understand the workings of a free enterprise system, and yet to have someone like my honourable friend from Inkster come in here with a keen intellect and try to unburden to this House the wonderful but rather hoary old Fabian ideas that were thought to be rather good about 1900, but George Bernard Shaw and the others have all passed on now and the labour movement in Britain has disavowed most of what he talks about and so on, but still it makes an interesting if indeed an academic debating point for people to conjure in this fast-moving age as to whether or not we are doing everything that we should in order to have this development accrue to the development of the people of Manitoba.

Well, as I look at the second paragraph of his amendment I think he is coming around because he asks that the Department of Mines and Resources undertake an intensified public program for the exploration of our mineral potential, which as the Minister has already explained we have been doing for the last three years in a peculiar way that is unique only to Manitoba. We're the first jurisdiction, as I recall at that time, on the North American continent when we started the Project Pioneer to go into geological and geophysical surveys in such an intensive way, and this is unique for any government on this continent so far as I know although others may well have started similar programs. So he asks us again to do something that we're already doing.

And then he goes on and says, "and that the act of development of producing mines be conducted in such a manner as would result in the greatest possible benefits accruing to the people of Manitoba, and in this regard consideration should be given to co-operative and private enterprise, Crown corporations or to a combination of these forms." So it is true that he's becoming a bit more amenable to realism and to the facts as they are in this continent and indeed in the free western world, but he had to stick in Crown corporation - he had to stick in Crown corporation. He still suffers from the old idealistic notion that a Crown corporation can not only use risk capital which is necessary in this high risk area of mining, it can also employ all of the people who are necessary to do the research work, the testing and so on and so forth, the heavy research work that goes into determining whether or not you've got a mine, and then after you've found, you hope, that you have sufficiently good material for a mine he then says that through the Crown corporation we should go on then and hire all of the sales people that are necessary in order to compete with Falconbridge and International Nickel and all of these other people. But he's not saying that entirely. I think a year ago he perhaps would have said it and now he realizes - because he's obviously an intelligent person - he realizes that through buying stock in this company you know he's adopted the viewpoint of "if you can't beat them join them", and I can tell you right now that

(MR. LYON cont'd.): he's not going to beat them so he might as well keep on buying the stock because that's what's going to happen on this continent so far as we can see in the future. But he's learning - he's learning.

But the interesting part of his dissertation to us today was the sidetrack we got onto on housing in Thompson, which is a very legitimate issue and one which can be discussed I'm sure on some other occasion, but housing in Thompson - and I don't wish to do offence to his words - but the implication being well what's the use of having a mine at Thompson if people have to live in the housing conditions that they have at the present time. Now I don't wish to draw the analogy any further than he intended it to go, and if that's too far he can tell me, but that was the implication I got. Why should we bother with this thing at Thompson because people have to live two and three families to a house? And if that isn't a clear case of throwing out the baby with the bath water, I've never seen one. If that isn't a clear case of saying I don't want this child because it's got a wart on its heel, I've never seen one. If that isn't a clear case of saying no, I wanted a boy not a girl so take that child away. We won't have that development. I've never seen it before. If all we can see in looking at a mining development, whether at Thompson or Flin Flon or Snow Lake or Lynn Lake, if all we can see is the fact that there is a social condition there which needs improvement - and Heaven knows it does need improvement - but if we can say that that is to be the byword, that is to be the evidence of action, that is to be the sign by which we guide ourselves in the future and that unless we have good housing then we should have no mine, then I suggest that my honourable friend is really living in a kind of Peter Pan world that this Legislature would do well not to emulate.

Of course there is a social problem there with respect to housing, but as the member for Churchill pointed out - and I wonder how many listened to him when he said it - here you have a modern town of 15,000 people which has been in existence for something less than nine years. The housing situation that they are in at that town at the present time I think is very much a transitional one. If my honourable friend had had the experience - and I'm sure he didn't, I didn't, perhaps we were too young at the time - to go to Flin Flon say in the '30's and find out what the housing conditions were there at that time, I don't think he could stand before us today and say, "Well Flin Flon should not -- what good is this mining development to Manitoba because the housing conditions there, as I understand it from talking to some of the people who were there at that time, were atrocious."

MR. CHERNIACK: They still are.

MR. LYON: To some extent they still are - to some extent, yes - but we don't throw out the baby with the bath water. We can strive for the ideal, but because we don't have the ideal is no reason to say that the whole private enterprise development is wrong and let's stop developing mines until we develop houses. What about the individual? What about the responsibility of the individual to look after himself in certain deals? It's not the responsibility of government, it's not the responsibility of government nor indeed at this present time is it even the responsibility of International Nickel or X company, - let's call it X company - to provide housing for employees. It provides employees with wages for the service that the employee gives to the company. That's the way things go, and unless there's some special negotiation or arrangement that has been worked out it's not the responsibility of the company. I think there is a social responsibility that is gradually developing and is being understood by the private sector of the economy that housing goes with good working conditions, and that if you have better housing you're going to have a happier work force and so on. I hope that this kind of enlightenment spreads much further, but I don't think that you can hasten it on or you can barb it on or you can force it or compel it to the point of saying that we must have one-storey three bedroom dwellings for every family that moves into this town before we're going to move a scuttle full of muck out of this mine. You're not going to have that. You're never going to have it.

I sometimes wonder, you know, if my honourable friends opposite in the NDP Party - and they make a great contribution to the level of public and political debate in this country and indeed in this province because they bring new ideas to the floor and we can have that grind or that clash or that conflict of ideas that my honourable friend from Inkster spoke about in the Throne Speech and this is good; this is the parliamentary system at its best. It doesn't mean that I have to agree with him and it doesn't mean that they have to agree with me, but from time to time we do have to be realistic as to what is possible, what is possible in the context of a developing country, which this country is and which this province is. And

(MR. LYON cont'd.): I come back to the point where he talks about the benefits that are going to accrue to the people of Manitoba. What about the benefits that are accruing to the people of Canada, first of all, because we're all Canadians and I know he's concerned about this as well. That mine or that series of mines in northern Manitoba, that are producing nickel in particular, represent perhaps, as the member from Churchill has said, the richest nickel mining area in the world, a fantastically rich area, the potential of which has not been fully realized at all. And just as an aside, I sometimes wonder you know when comparisons are made as they are from time to time about this province and about Saskatchewan and the potash in Saskatchewan, what a wonderful thing it is - and of course it's a wonderful thing and we'd like to see potash in Manitoba - but I've made the statement privately and I've said it publicly and I say it here: I wouldn't trade all of the potash mines in Saskatchewan for the nickel mines that we have in Manitoba. Not by a long shot.

Now my honourable friends can look at the taxation picture and say, "Well of course the Province of Saskatchewan is getting a greater return on the volume basis or whatever it is in taxation." If I tell him that - and he knows this - that the rate of taxation that is imposed, royalties that are imposed on potash in Manitoba and Saskatchewan, are approximately the same if not entirely the same - the rates. The rates of taxation that are imposed, royalties on nickel in this province, Saskatchewan, British Columbia, the other provinces of Canada, are largely competitive - some differences, but largely competitive - for the very good reason that if we want to stimulate development in one part of the country, this part of the country in particular, we've got to be competitive taxwise with other parts of the country which may have similar resources. International Nickel has mining operations in the Province of Ontario and it could take ore from Ontario just as easily as from Manitoba, depending upon the grade and other factors that are to be considered, so we must remain competitive. So it does us no good to say that we must take off a larger slice for the people of Manitoba, which is a very narrow and channeled way of looking at it if in so doing or if in attempting so to do all we're doing is cutting down on the potential development that is going to take place in Manitoba. So these arguments are just about as hoary as the arguments that have been trotted out by my honourable friend concerning Crown corporation development and so on and so forth.

But I do say to him that there is so little in his amendment that we could disagree with, perhaps the co-operative part of it, but I don't know how a co-operative would get into the mining business. I wonder where the co-operative would raise the risk capital that's necessary before a mining development takes place. I've often wondered -- and the old argument and philosophy that the socialists and the capitalists get into: where are the people in this province who are willing, by way of taxation, to put up the risk capital through taxation that would be necessary if a Crown corporation was going to develop, say, INCO or the equivalent of an INCO mine? Where are they? Where are they? In respect of -- (Interjection) -- If my honourable friend would tell me what the risk is in hydro I'd be glad to answer his question. Hydro is not a speculative mining venture. You know when you put in the money that you're going to have something and you're going to get a return for it for which you're going to be paid.

MR. PAULLEY: Not necessarily.

MR. LYON: Well, if my honourable friend wants to degenerate what I thought was a rather good argument going on between myself and my honourable friend from Inkster, we'll do it out in the hall.

MR. PAULLEY: It's a matter of opinion as to whether it was a . . .

MR. LYON: I merely asked a question. Where does the risk capital come from? We hear on all sides of the House and in this province today that the people of Manitoba don't want more taxes, and you know they're right - they're right. And how are we going to raise the tax money, the risk capital - this isn't money that's going to be borrowed - where are we going to raise it to put an investment of \$400 million into a town like Thompson? -- (Interjection) -- Through the Manitoba Development Fund. Yes, yes. We got the money for the Nelson. Well, again my honourable friend is haring off down a track, and I'll try to explain to him what little kindergarten economics I have some other time, but I merely say that this is hardly the time to be applying governments going into the question of risk capital at a time when every government in Canada is strapped for current and capital money to carry on the essential services of the government, the essential services of government which are

(MR. LYON cont'd.):..... necessary and which our people expect to have done. If you can get private money to work for you, why in Heaven's name substitute it with public money? This is the answer to which -- I have never heard a Socialist answer that -- (Interjection) -- Because they make a profit, but the Socialists never mind making a profit. Never at all - no.

My honourable friend - and I congratulate him - has shares in International Nickel, and that's a wonderful thing and I'm glad to see he's becoming a practical operating free enterpriser. And we have provisions -- this is what leads me to wonder, you know, about my honourable friend opposite. He says that we should be doing exactly what we are already empowered to do. We've got an Act here, which was passed in 1966 before he came into the House, which says that an agreement may provide - in Section 5 - an agreement may provide that in lieu of the repayment of a grant as provided in Section 4 - and that's a grant that's made for incentive payment - the government will receive a participating interest in the development of any mineral deposits discovered in a mining property in respect of the exploration of which a grant is made under this Act. -- (Interjection) --- Just like that. So ...

MR. SPEAKER: Order please, order please. I must remind the Honourable Member from Elmwood if he wishes to take part in the debate he must do it from his place.

MR. LYON: Mr. Speaker, I don't mind the Honourable Member from Elmwood or anybody else participating in the debate because merely what I have been trying to say in effect from the time I stood up was that this is an extremely difficult resolution to know whether you should vote for it, against it or forget about it. The more I look at it the more I think we should just forget about it because everything that is being asked to be done is being done.

The only area where we find ourselves in any disagreement with the Leader of the Opposition at all is in the designation of those areas in Northern Manitoba where this support program should be brought to bear. I think that this is a question - this is an area where they're depending upon the advice that the Minister receives from the geologists and the others who are knowledgeable in this field and that he can take action, as he has the power to do under the Act, without the benefit of this resolution.

So it does provide an interesting showplace for the member for Churchill to make a very good speech, I thought, about Thompson, about what's happening at Thompson, about what it's like living in Thompson; and to give some balance to the picture that it's not just a question of two or three or four people boarding in homes - and this does take place, of course it does. But that isn't the whole of Thompson, any more than one slum area is the whole of Manitoba, and the fact that the people have invested money in the International Nickel, such as my honourable friend from Inkster, doesn't mean that that's a bad system, that this isn't a bad system to operate under; it doesn't mean that the people of Manitoba aren't receiving a fair share. They're receiving as fair a share in royalties as they can consistent with a policy which will not impair development of an industry in Manitoba. -- (Interjection) - Well maybe - no, I don't think so. My honourable friend has a very highly whetted conscience and I'm sure it doesn't bother him a bit to have the shares there, and I can only leave him with the one thought of what happens if governments actually make the mistake of trying to carry out the philosophy which my honourable friends opposite do broadcast from time to time, namely, that of nationalization and state ownership and all of these other old, I have thought dead and buried, ideas that really no one pays too much active intellectual attention to nowadays. If that happens and if you by some chance get a party - an NDP party or a CCF Party in government - you see what happened to the development in the Province of Saskatchewan? It just dropped out, dropped out of sight - dropped out of sight - because there was the fear of the private investors that they did not know what was going to happen with these people who were espousing nationalization policies. It's that simple. Talk to them sometime; I've talked to them - I've talked to a few of them, not all of them by any means. I have talked to the odd person who has risk capital invested or represents companies that have risk capital invested in Canada. They don't even know what an NDP'er is but they know darn well what a Socialist is and they don't want to have any truck or trade with him. The one thing that Ross Thatcher, liberal that he is, has done is to reassure the investment community in this country and internationally that free or private enterprise have a natural and a protected home in his province. A welcome hand is held out to them there, that's about all. It's just a change in attitude, and I think that Tommy Douglas for that matter was probably as good a capitalist as any premier in Canada because he found out shortly after he resumed the responsibility what the facts of life were and he carried on a very good free enterprise

(MR. LYON cont'd.): government with the exception of the box factory and a few other mistakes that he made but he soon got over it. So I say to my honourable friend it's one thing to be in opposition and talk about these things, it's another thing to be in government and have to do it, and my honourable friend the member from Inkster, I'm sure that if he ever got on to this side of the House would make an outstanding Minister. I'm sure he would and there are others, there are others in that group who would, but I tell you today by equal assurance that if they got on to this side of the House you would never hear another word about the Crown engaging in risk operations with respect of the development of mines, of forests, or any other natural resource.

So, I really close by saying that we love to have these little philosophical debates from time to time and we love to see Socialists who are Capitalists. I remember the Provincial Treasurer of Saskatchewan who grew to be the biggest capitalist of all, and we love to have these debates on what are really academic subjects because the facts of life, as we know them in the development world today are that we don't have a purely free enterprise economy. We certainly don't have a socialistic economy but we have a kind of pragmatic philosophy about developing industry in this province and indeed in this country that is necessary if we're going to take advantage of all of the opportunities that are available to Manitobans in the 20th Century to make this province the best province in Canada in which to live. That's what we're all here for, and the sooner we get down to discussing the hard ways of doing this then I think the better off the people are going to be.

MR. CHERNIACK: Mr. Speaker, I must confess that it's heartening for one of the older people in this House to see these young men who show their great experience and their knowledge of not only current affairs but the hoary old days of the times for doctrinaire Socialists and how they spoke and what they meant. I think it's good for Manitoba that we have young people who are prepared to study and to advise us and to tell us about the hard facts of life, and I suppose living as he does in a free enterprise community - a capitalist community as he says - he has learned about the hard facts of life, and I suppose that gave him the opportunity and the justification in speaking in the manner that he did to us this afternoon.

Of course some of the hard facts that he has had to face is what my Leader just pointed out, the need to come to the rescue of San Antonio Mines and the people of Bissett who were placed there, who were induced there, who were lured there by San Antonio Mines and by the opportunity given to them, and when things developed badly they were dumped right back or threatened to be dumped back on the welfare load of the province. And my honourable friend was, I think as I recall it, one of the leaders in the exploration and development, not of the mine, not of the natural resource, but to the exploration and development of attempting to keep - was it 1, 200 people - in a position where they would not become a load on the community of Manitoba, where they would not be forced to look elsewhere for the new jobs for relocation for rehabilitation. So he's learned the hard way. He knows life is difficult; life is hard; and he adjusts to it.

MR. LYON: If hypothetically that had been a Crown corporation, a Socialist or a nationalized mine, and when they ran out of ore or the price was not sufficient, would there have been any change with respect to the operation? Is it not - is it not a suicidal industry? It's not a self-renewing industry.

MR. CHERNIACK: Well, I hope I will never be called upon to justify an industry which does nothing but burrow underground to dig up some sort of material which it brings up, refines, changes and burys back into the ground, and which then becomes such an important commodity that shakes the world as it is doing today and has been doing for the last few days, so that I would be amongst the last to justify an exploration for gold such as has been going on in Bissett.

But the honourable member is speaking now of social responsibilities. He mentioned it, and it may well be that a government which wanted to go into the gold mining enterprise, which with San Antonio did some years ago, would have had the social conscience and the feeling of responsibility to prepare for the possibility that a mine would reach a stage where it is bottomed up - out - if that's the expression, where it would prepare for a situation - and every mine faces that situation as does Thompson and INCO - that eventually it will become a ghost town. We've had our Sherridans. Oh yes, we've had Sherridan and there are other ghost towns and we know they will come. They must come because this is not a replaceable

(MR. CHERNIACK cont'd.): resource that we have. So that there is a responsibility there and apparently the honourable the Attorney-General - I should say the Commissioner for Northern Affairs - has not been in Flin Flon lately to see what Flin Flon looks like even today, where people do not have that feeling of security that they're working for a company that is there in their interest, because the company isn't. For a long time the company was in Flin Flon for the interests of some people in New York, a group headed by a man named Witney who to me was always famous as a horse racing operator but apparently he also is interested in exploiting some of the natural resources of my province and that of my young friend who is now the Commissioner for that area. Now I understand . . .

MR. LYON: No relation to the Minister.

MR. CHERNIACK: Pardon?

MR. LYON: No relation to the Minister.

MR. CHERNIACK: Was he in the horse racing racket too? -- (Interjection) -- Oh, that one. It was just the same town but I'm sure that the horse racer from New York doesn't speak in the Indian dialect which I think distinguishes the honourable Minister here.

Well, in any event, Flin Flon is now being operated under the interest of some South African outfit I believe, somebody named D. . . . which was always concerned with digging, but they used to dig up diamonds. Well they still do dig up diamonds and control them, and as a little side interest they've gone into Flin Flon. Do you think they have the slightest interest in the welfare of the individual people that live in Flin Flon and are dependent on that mine? I urge the Commissioner for Northern Affairs to visit with the Minister of Health and walk around and see that town that has brought the Minister of Health here and see whether there's a pride in ownership there or a feeling of security. I assure you there is not, because the company that operates the mine there is as paternalistic as the honourable the commissioner was being this afternoon in addressing us and is only there in order to keep them in line, and that's exactly what's happening in Flin Flon.

So that I think government in attempting to develop the north has a responsibility to the people it brings up north, and if it does that by a partnership arrangement with private enterprise, that's good; and if it carries out a partnership arrangement with private enterprise whereby it shares in the risk as well as in the benefit, that's good too; and if indeed private enterprise doesn't go in but government believes that it is something worth doing then government can do it on its own both with risk and with benefit, that's good too.

Apparently this Cabinet a year ago or two was quite satisfied it was good because it actually not only accepted this proposition of partnership that my honourable friend read out of that book - which is I think a little dusty now because it dealt with a partnership of which I have yet to hear any reports - and I would have liked the honourable Minister to tell us about the partnership transactions that have been carried out, that have been entered into as a result of that Act, because I remember being most interested in the concept and I remember supporting strongly this Act which the honourable Minister read from because of the concept that government is prepared to risk and to share in the benefits, but I haven't heard of any reports and hopefully there are such and hopefully that some day we'll get a report from the Commissioner on that.

So, let's assume that the government accepted the idea and did something about it. The acceptance of the idea is on record; what they did is not. Certainly the government went even beyond that and said "no, we want the opportunity not to wait for private enterprise or the individual prospector to come to us in a partnership arrangement, we want the power under Part II of the Manitoba Development Fund Act." That's what they said. And they argued it. They argued it with the lone social creditor here who I believe was the only one that opposed Part II -- right? In any event, the government did vote with us in our suggestion that the Manitoba Development Fund should have the power to do exactly what we're talking about. But what did they do? Oh, they said it was socialistic and they admitted that they were accepting it as being part of their program. What they did about it I have yet to see, because we had a report just recently didn't we - a nil report? Filed I don't know as of what date but it was a nil report. So although the government accepted the policy and the honourable the Minister advised us that it was not a good policy, a dangerous one, he voted for it, and the fact is that apparently he didn't read it very sincerely because they didn't do it.

Now what is all this risk we're talking about, Mr. Speaker? The honourable the Minister spoke of - I think I made notes of some of the words - oh yes, he talked about the

(MR. CHERNIACK cont'd.): research that has to be done; the investigations that have to be carried out; do you want the government to do it? Well hasn't the government done it? Didn't the government with pride come to us and say, we showed an outfit called Monoca - some have heard the name - exactly what could be done in the great north of Manitoba. We gave them research material on production, on the nature of the scrub that is growing up there; we told them all the transportation costs. I say scrub too because we'll come to that - and I use that term advisedly - I know what scrub is because I saw it. They said we've found out what it costs to transport it by water, by rail, by truck; we have all sorts of studies. How many millions of dollars were spent on that I don't recall, but they were substantial sums. They then went out and they sold it and they sold it to an outfit called Monoca, and maybe in the free enterprise system it's fair to play games with people like that and give them information which would indicate that this is a very high risk or maybe not worth doing, but I was satisfied sitting at my desk here that the government believed in this project; they thought it was worthwhile; they thought it was worth doing. They tried to sell other free enterprisers on it and didn't succeed, they said, although there's some talk now that the efforts they made on this continent were negligible. I don't know. There was talk about it and I think there was a request made that that be reported on, but they actually went out to Monoca and they said: This is good. We have the proof. We have done the research. They sold them on the idea and they came out here, but in order to get them here the government did more. They said: We'll invest with you. You put up - what was it, \$600,000 - and we will do certain things. We will carry out certain commitments. We'll spend millions of dollars in surveys. We will spend millions of dollars -- no, it was hundreds of thousands a year in fire protection which normally should be paid by the industry. We will charge reduced rates on stumpage as compared with other free enterprise companies that are actually in Manitoba doing business. We will share with you in the cost of roads. We're partners with the Manitoba Development Fund. Indeed we are. That is in the risk we are. We have put up substantial risk money. We have guaranteed substantial losses in the event that there is a loss. The Manitoba Development Fund guaranteed - well as of last year was it - some \$3 1/2 million in loans, which if Churchill Forest Products folds up would remain a loss of the Manitoba Development Fund -- and I wouldn't be critical. -- (Interjection) -- Well that collateral is something that we have not been told about. How does the Honourable the Commissioner for Northern Affairs know what the collateral is? Where did he learn? Where did he get that information?

MR. LYON: Stop being a demagogue for a minute. My honourable friend is comparing parrots with potatoes. He's talking about MDF loans, and I'm talking about them generally, but does he honestly believe that there is a comparison between an MDF loan, which presumably is secured by plant equipment and everything else, and an investment of say, let's take Leduc, \$18 million put into Leduc by Imperial Oil before they got an ounce of oil? Where is the collateral on Leduc for the research, for the exploration work? This is what we're talking about. Let's get down to the issues and not be demagogues.

MR. CHERNIACK: Not be what?

MR. LYON: Demagogues. You know what they are.

MR. CHERNIACK: He's also learned fancy words, Mr. Speaker, in his youth which -- it's commendable too that he should. Well I was talking about the forest products industry of Northern Manitoba and I have a right to talk about it, Mr. Speaker. You haven't stopped me and, until you do, I'll continue to talk on it and not follow the trend that my honourable Minister would like me to do because apparently . . .

MR. LYON: I want you to debate the facts.

MR. CHERNIACK: It is apparently a matter of embarrassment for him that I should be talking about development in the far north where Manitoba had an opportunity to go in as a partner but ended up as a partner in the risk and not a partner in the profit, because that's exactly the contrary to what was suggested.

MR. SPEAKER: I would hope that the Honourable Member for St. John's and also the Attorney-General would not create an argument one with the other but rather continue the debate in an orderly manner for the good of us all.

MR. CHERNIACK: Thank you, Mr. Speaker. I appreciate your pointing that out because I was sinking to the level of a debate with one individual which I shouldn't have done. I'd rather debate with the First Minister because I have yet to hear what he has to say about matters of this type, and possibly we can get some discussion with him on the benefits of participation by the people of Manitoba in the development of the resources owned by the people of Manitoba. That is the amendment we are talking about and I have been talking about the perfect feasibility of the people of Manitoba going into partnership, and indeed doing it on their own, when they find that it is necessary to develop some sort of industry. Now the Minister of Industry and Commerce would like to join in the debate and I'll be glad to answer his question if I can.

HON. SIDNEY SPIVAK (Minister of Industry & Commerce)(River Heights): I assume by that, if I can ask a question, you mean exactly like the Saskatchewan Crown Corporation.

MR. CHERNIACK: Well, Mr. Speaker, I know little about the Saskatchewan Crown Corporation, I don't know if the Minister of Industry and Commerce knows anything about the Saskatchewan Crown Corporation, so when he has the opportunity no doubt he will stand up and give us chapter and verse. I am talking about Manitoba. I'm talking about resources owned by Manitoba and resources which Manitobans should see developed for their benefit and not for the benefit of private enterprise unless it is done in a joint manner, and the "how" of it is by the Act which the Minister has read to us which apparently he has never made use of, by Part II of the Development Fund which the Minister voted for, as did the First Minister, as did every other person on that side of the House and which they've never used, and by what they did with Churchill Forest Products which is the most recent example of government investing the people's money for the benefit of private enterprise, and that is why I was trying to -- and that's apparently why I'm running into difficulty with these gentlemen because they're having an awkward time with my comparison of an opportunity that the people of Manitoba had in developing this forest industry, which I call scrub, and which they could have done themselves or in partnership or by leaving it to private enterprise-- they sold it to private enterprise. They begged private enterprise to come in. They gave them inducements to do that and therefore became partners in the risk and not partners in the profit, because it may develop the Town of The Pas, it may not because The Pas itself has doubts --(Interjection)-- but the Commissioner of Northern Affairs says it means nothing to develop the Town of The Pas and he can say what he wants to say. I will speak for myself rather than have the honourable Minister do that for me.

But the development of The Pas in itself doesn't mean anything because the development of Flin Flon in itself didn't mean anything. It only means something if people live a full life in a community where they participate in the growth of the community for their own benefit. Just to build a city or build a town or build a community for the sake of having it means nothing, Mr. Speaker, unless the people have an opportunity to develop a full life in that environment and in that location. I think that just to say to do it is enough may be enough for the honourable Minister because he's accustomed to the hard facts of life and therefore this may be enough. It isn't for me, Mr. Speaker, and I should think it isn't for him either because I'm not aware yet that he's decided to go up to northern Manitoba and sink his roots there and that of his children.

So in spite of the fact that they are unhappy about the trend that my contribution is making, I must point out that I was last interrupted when I was talking about some \$3 1/2 million invested by the Manitoba Development Fund in some sort of security from the Churchill Forest Products which I think is nebulous. I may be wrong, Mr. Speaker, but I would hope that the Commissioner for Northern Affairs knows no more than I do about what the security is because if he did he would be in breach of some of his own rules as to the knowledge. But all I know is that from reading the agreement there was some \$600,000 required to be invested in Churchill Forest Products as equity --no, \$500,000 as equity capital, \$100,000 as a bond. That kind of security is not the most attractive type of investment but that wouldn't be bad. I wouldn't object to a risk loan if I saw a sharing in the return and that's exactly what this amendment says.

Now that I have tried to explain to the honourable Ministers - and I don't include just

(MR. CHERNIACK cont'd)... the one young enthusiastic one but all of them - what our amendment means, I still don't know how they're going to vote because there hasn't been any indication from them. They are so confused about it that they say - as one of them said - maybe we should just forget about it. He may like to forget about it but he won't forget about it. He's going to either have to vote in favour or against or leave the room when the vote comes. He will take his choice but so far he has not indicated any leadership to his side of the House as to what side it intends to take on this issue. I would expect that he would vote for it because he has already indicated that all it says is what they've been doing up to now. The fact that all it says is what they have said they would be doing, not what they have been doing, is I think a matter of issue between us which we will debate at another time. The fact that they said it and didn't do it to the extent that our amendment proposes it, is something that they will have to account for and not we.

So that I feel that we have indicated that there are ways where the people could involve themselves. I wasn't here very long when the Honourable the Member for Wolseley in another capacity described to us a development that would take place with the hydro power development in the north, the enthusiasm with which he described it. Was it 100 million or 300 million?

MR. PAULLEY: Eventually 500 million, I think.

MR. CHERNIACK: Well, it was quite a bit of money, Mr. Speaker. Let's put it this way. It was a fair sum of money. As I recall it, Mr. Speaker, the people of Manitoba are putting up all the money. As I recall it, there is money being loaned by the Canadian Government but there is no money being invested by the Canadian Government. It's Manitoba money that's going into it and this is a project which is much larger than any of those described by the Honourable the Commissioner for Northern Affairs, much larger in scope. And when he says "risk", well there is not a guarantee, the markets are not guaranteed, the cost is not guaranteed and the production, the competition in production is not guaranteed. It has been said by many experts that twenty years from now the production of energy will likely have a different source and it is said that now is a good time to go into hydro-electric power, but pretty soon it won't be because the costs of developing hydro-electric power are growing to the extent where the returns will not justify the costs.

Now that doesn't mean that I'm critical of what we are doing now, but surely it would have to be done now rather than five or ten years from now because the risk would be much greater. So there's risk - there's risk - but the people of Manitoba have had hydro for enough of a period of time to feel justified in going ahead. The people of Manitoba have faith in their service. The people of Manitoba have found that they could hire experts to do the job, that they could get all the experts they need who would be quite happy to work for a Crown corporation and not have to involve themselves in speculation and in profits on investments other than that on behalf of the people of Manitoba.

The people from Monoca are not the experts that are running Churchill Forest Products. The people that we hope - we hope will be operating Churchill Forest Products will be people who are hired, and just as they are presumably going to be hired by that industry so would one assume that they would be hired by a Crown corporation just as they are in hydro and in telephones, and there's no reason in the world why it can't be operated. That doesn't mean you go into any project at any time for any purpose. You research it. You research it as carefully as private enterprise does. But once it's good for private enterprise to do it, then it's better for the people who own the natural resource to do it after they acquire the information, after they research it and satisfy themselves it is right.

If this government doesn't have the courage to do that and to stick out its neck because I agree there's no guarantee all the time - if this government hasn't got the courage to do it for the people then I only hope that the people will elect a government that will have the courage to do it, that will be prepared to stick its neck out and not worry about being re-elected and constantly re-elected on the basis of conservatism in approach. My learned Minister here who is learned in all fields including Fabian socialism - and he didn't go back further because there was socialists dating back many many centuries, they appeared under a different name - in his manner of speaking he has learned so much about the hard facts of life that he has not shown that he has the courage to take hold of a proposition and to try it for the benefit of the people. If he isn't then I would suggest, Mr. Speaker, that we don't need just an administrator to carry on on a tried and true method, that is tried

(MR. CHERNIACK cont'd)... and true in his opinion. He is the one who has become stodgy and hoary and jaded because he is the one who is afraid to go into anything new, and therefore he is the one that I think has to be moved out so that somebody could come in and try these new things and stay up with the advanced thinking of the community of Manitoba and of the world here today.

MR. SPIVAK: Mr. Speaker, I wonder if the honourable member would permit a question?

MR. CHERNIACK: ... deign to do so.

MR. SHVAK: The people of Manitoba use the power of hydro. Do you believe the people of Manitoba can use the scrub in its finished form?

MR. CHERNIACK: Mr. Speaker, the people of Manitoba are investing very substantial sums of money for the export of power, not just for the consumption of power, and if the people of Manitoba could develop a pulp industry out of that scrub, and maybe they can, then they will need that hydro power for that very purpose, so that they would have to use it in order to be able to provide at least the paper for the propaganda machine that he operates out of that pulp.

MR. SPEAKER: The Honourable Member for Brandon.

MR. R. O. LISSAMAN (Brandon): ... make any comments but the honourable member I think must be corrected when he says that hydro is developing power for export. This is only true in the very narrow, temporary sense until our own markets build up to demand the usage of that power --(Interjection)-- Likely very few. In fact it may not run one decade. The actual usage of power has in this province doubled itself roughly in one decade and, as you know, this first phase of the Nelson River development will about double our present entire capacity, so this means about ten years. During that time you'll be first of all in probably a sizable export position diminishing to the term of ten years. Then as you go on and develop further segments of the Nelson you will again be in an export position but only to protect your own future of reasonable cost power relative to the time of course. So we're not in the production for export; we are in the export business by reason of producing power for ourselves.

MR. CHERNIACK: May I ask the honourable member a question, Mr. Speaker? Does the honourable member object to the concept of developing power for export?

MR. LISSAMAN: I think to answer that you would have to agree that the modern concept of whether socialism or private enterprise is good - and I think very few people hold to either one very strongly - is that the general concept of the average Conservative is that as long as free enterprise will enter a field, take the risks involved, then government should not enter that field if the free enterprise is providing a reasonable service to the public, but where that doesn't happen then it may be the duty of government to enter this field.

MR. PAULLEY: Mr. Speaker, I wonder if the honourable member would permit a question? I wonder, my friend, if what you have just said insofar as the terms dealing with the export and the conditions of the export of power over a period of years are contained within the agreements entered into by Manitoba Hydro that I have requested the full information upon.

MR. LISSAMAN: Mr. Speaker, I imagine I'll be permitted to answer that question and have to answer it in rather a lengthy fashion. I really believe and I do believe that the Leader of the New Democratic Party understands the way in which these gigantic electrical systems develop.

First of all, there is economy in size of any producing unit of electricity. Let me say that in New York State, for example, there is a huge thermal electrical producing station which is as economical as some of the hydro plants. They get these economies out of the actual size and efficiency of these large units.

Now, no doubt the member for Lakeside could inform you that each time we impassed and went for a new station on the Winnipeg River we were probably biting off a little more than we needed right then, you had a surplus for a year or two, but you eventually met the need. Our needs are growing so fast now that while waiting for the Nelson River power we are increasing the size of the thermal station at Brandon; we're increasing the capacity of Selkirk; we're increasing the potential of Grand Rapids just to help take care of ourselves till this northern power comes in, so we will have a portion of that complete demand or

(MR. LISSAMAN cont'd). . . supply built up. But invariably you have to go for a bigger chunk than you can use right then and you can't be short; you have to plan into the future because you can't ration electricity. It can't be rationed; people will turn switches and the demand is there and if you haven't got the production capacity the whole system goes down like a deck of cards. So the necessity -- and if you read the Act you will see that the obligation is there upon Manitoba Hydro to provide electricity at close to cost for the people of Manitoba, and to provide that electricity you have to go for these big units. They mean surpluses at times, but with the usage doubling the demand of the actual amount of electricity we use in roughly a decade - and it has been this over a great number of years - it's relatively easy to forecast and you can see that you must go for the big units and have temporary surpluses.

MR. PAULLEY: Mr. Speaker, if I may, I didn't ask for the history on the development of power, I asked the Honourable Member for Brandon if what he was talking about, the conditions and the term period of export of power outside of Manitoba that he referred to, constituted part of the agreement, the information of which I have requested by an Address for Papers.

MR. LISSAMAN: I'm sorry. Agreements like this are -- any time that any trouble has arrived with negotiations in the sale of power, I used to be bothered about this problem myself and wondered if at the end of the time when you want to recapture that electricity that you contracted for and sold, if you might not even have an international incident on your hands. But the other utility which is buying your temporary surplus is in one of their positions of under-supply and it's almost invariably done on a contractual basis covering only a term of years. It's quite conceivable that at some time in the future all these inter-connections that will be made through the country will be bringing electricity back into Canada for a term. This has happened between Saskatchewan and Manitoba - it's a two way passage. So that it's simply a part of the development, parallel development of various systems, and one of the chief advantages of a grid system which Mr. Diefenbaker pressed so hard for a few years ago, is that it would integrate the systems of Canada so that no one system would have to have such a potential capacity to over-produce. And you have to have this for safety again. Usually it's about 12 percent of the capacity of the system or the equivalent of the largest machine on the line.

MR. SPEAKER: Are you ready for the question? In the event of it being overlooked I could probably repeat it, It was moved by the Honourable --do you. . .

MR. JOHNSTON: If no one else wishes to speak, Mr. Speaker, I take the adjournment.

MR. SPEAKER: Moved by the Honourable Member for Portage, seconded by the Honourable Member for Hamiota, that the debate be adjourned.

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

MR. SPEAKER: The adjourned debate on the proposed resolution of the Honourable Member for Emerson, The Honourable Member for Elmwood.

MR. DOERN: Mr. Speaker, I think that in general the New Democratic Party can support this resolution put forth by the Honourable Member for Emerson. I agree with most of his comments except those in reference to myself, but in principle I think -- (Interjection)-- and yourself too.

If you look at the entire field of education and the government's program, I think it's obvious that the government does give a high priority to education as we on this side of the House do as well. It is, I think, the department with the largest single expenditure, probably upwards of \$100 million today, but I think that the department itself could perhaps stand a closer scrutiny than it's getting at present. Some of the major developments that occur do come between sessions and yet we are restricted to debating educational matters only during a session and only in this House.

Questions of education dealing with matters involving education and involving other people or other groups can only really be handled in Law Amendments Committee. If we look at the list of standing committees - I believe there are some 8 or 10 - we can see that there are only really certain departments or portfolios that are covered by standing committees; for example, Municipal Affairs, Agriculture and Conservation, Public Utilities, and Natural Resources and Industrial Relations. Most of the others are what might be called committees of this House dealing with matters concerning the business of the House as opposed to dealing with departments - proper departments. So that if you look at the

(MR. DOERN cont'd). . . list of committees, and these four committees basically which involve departments, one can either say that in relation to education that there are either not enough committees and one should also have a special standing committee on education or that there are too many and perhaps there should be no committee in any of these particular areas, because it seems to me unusual that you would deal with agriculture or public utilities and so on and yet not deal with education.

If you look at the question of standing committees themselves, their particular value is that they deal with questions and matters of concern outside this particular Chamber and it allows the public and various organizations to be heard directly.

We have also one further advantage in that administrative staff, members of the departments, can sit in attendance and can be called to either offer advice on technical matters or discuss matters of policy or past actions. This House has the annual report of the education department which all members get and we can debate it in this House, but we cannot question members of the department other than through the Minister.

So, Mr. Speaker, I think that in general if we look at the resolved part of the motion of the honourable member that a standing committee of the House be appointed and be empowered to examine and enquire into all such matters and things as may be referred to it by the House and to report from time to time its observations and opinions thereon, with power to send for persons, papers and documents and examine witness under oath, I think that our Party supports the general principle.

The Honourable Member for Emerson said that the - I don't recall this as well myself - but he said that the Minister of Education last year in speaking in a debate said he saw a great deal of merit in this proposal yet he did not vote for it. So I would be most interested to hear what the Minister himself says, whether he is in support of this motion, and we in the New Democratic Party urge the members of the House to support it.

MR. SPEAKER: Are you ready for the question?

MR. SPEAKER: The Honourable the Minister of Education.

MR. JOHNSON: I beg to move, seconded by the Attorney-General -- no, what am I doing here. I wish to adjourn the debate. Seconded by the Attorney-General that the debate be adjourned.

MR. SPEAKER: I'm very worry indeed, I didn't catch your remark, Mr. Minister.

MR. JOHNSON: I beg to move, seconded by the Attorney-General, that the debate be adjourned.

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

MR. SPEAKER: The proposed resolution of the Honourable Member of St. Boniface. The Honourable Member for St. Boniface.

MR. DESJARDINS: Mr. Speaker, I wonder if this will be allowed to stand. I'm not going to be very long but a little longer than 10 minutes I'm sure.

MR. SPEAKER: The proposed resolution of the Honourable Member for Gladstone. The Honourable Member for Gladstone.

MR. LYON: Mr. Speaker, I would suggest that because we only have about eight minutes left and members probably won't wish to start on their resolutions with such a short time left that this might be perhaps a convenient time to have adjournment. If that's agreeable I would therefore move, seconded by the Honourable Provincial Treasurer, that the House do now adjourn.

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