

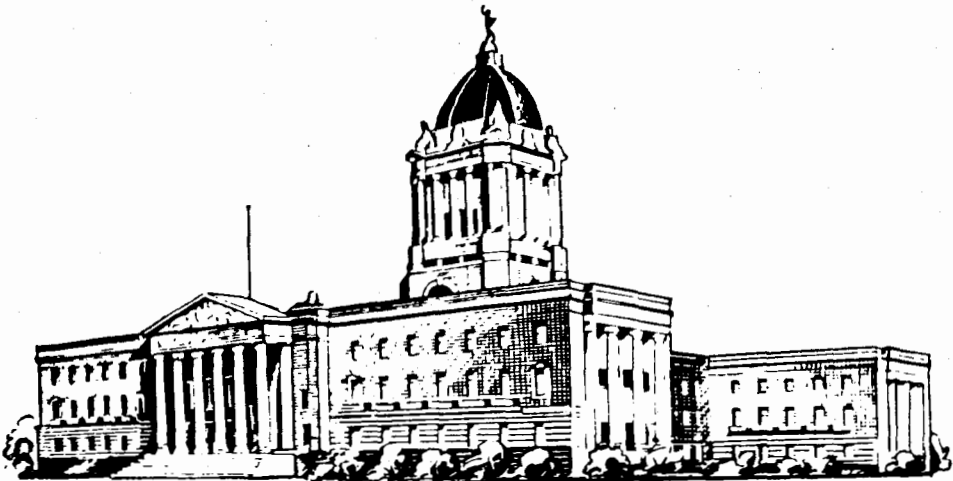


Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS

Speaker

The Honourable Peter Fox



Electoral Division	Name	Political Affiliation	Address	Postal Code
ARTHUR	J. Douglas Watt	P.C.	Reston, Man.	R0M 1X0
ASSINIBOIA	Steve Patrick	Lib.	10 Red Roblin Pl., Winnipeg	R3J 3L8
BIRTLE-RUSSELL	Harry E. Graham	P.C.	Binscarth, Man.	R0J 0G0
BRANDON EAST	Hon. Leonard S. Evans	NDP	Legislative Bldg., Winnipeg	R3C 0V8
BRANDON WEST	Edward McGill	P.C.	2228 Princess Ave., Brandon	R7B 0H9
BURROWS	Hon. Ben Hanuschak	NDP	Legislative Bldg., Winnipeg	R3C 0V8
CHARLESWOOD	Arthur Moug	P.C.	29 Willow Ridge Rd., Winnipeg	R3R 1L5
CHURCHILL	Les Osland	NDP	66 Radisson Blvd., Churchill	R0B 0E0
CRESCENTWOOD	Vacant			
DALPHIN	Hon. Peter Burtniak	NDP	Legislative Bldg., Winnipeg	R3C 0V8
ELMWOOD	Hon. Russell J. Doern	NDP	Legislative Bldg., Winnipeg	R3C 0V8
EMERSON	Steve Derewianchuk	NDP	Vita, Manitoba	R0A 2K0
FLIN FLON	Thomas Barrow	NDP	Cranberry Portage, Man.	R0B 0H0
FORT GARRY	L.R. (Bud) Sherman	P.C.	86 Niagara St., Winnipeg	R3N 0T9
FORT ROUGE	Lloyd Axworthy	Lib.	132 Osborne St. S., Winnipeg	R3L 1Y5
GIMLI	John C. Gottfried	NDP	44 - 3rd Ave., Gimli, Man.	R0C 1B0
GLADSTONE	James R. Ferguson	P.C.	Gladstone, Man.	R0J 0T0
INKSTER	Hon. Sidney Green, Q.C.	NDP	Legislative Bldg., Winnipeg	R3C 0V8
KILDONAN	Hon. Peter Fox	NDP	Legislative Bldg., Winnipeg	R3C 0V8
LAC DU BONNET	Hon. Sam Uskiw	NDP	Legislative Bldg., Winnipeg	R3C 0V8
LAKESIDE	Harry J. Enns	P.C.	Woodlands, Man.	R0C 3H0
LA VERENDRYE	Bob Banman	P.C.	Steinbach, Man.	R0A 2A0
LOGAN	William Jenkins	NDP	1294 Erin St., Winnipeg	R3E 2S6
MINNEDOSA	David Blake	P.C.	Minnedosa, Man.	R0J 1E0
MORRIS	Warner H. Jorgenson	P.C.	Morris, Man.	R0G 1K0
OSBORNE	Hon. Ian Turnbull	NDP	Legislative Bldg., Winnipeg	R3C 0V8
PEMBINA	George Henderson	P.C.	Manitou, Man.	R0G 1G0
POINT DOUGLAS	Donald Malinowski	NDP	23 Coralberry Ave., Winnipeg	R2V 2P2
PORTAGE LA PRAIRIE	Gordon E. Johnston	Lib.	26-120 - 6th St., S.E., Portage la Prairie, Man.	R1N 1E8
RADISSON	Harry Shafransky	NDP	4 Maplehurst Rd., Winnipeg	R2J 1W8
RHINELAND	Arnold Brown	P.C.	Winkler, Man.	R0G 2X0
RIEL	Donald W. Craik	P.C.	3 River Lane, Winnipeg	R2M 3Y8
RIVER HEIGHTS	Sidney Spivak, Q.C.	P.C.	Legislative Bldg., Winnipeg	R3C 0V8
ROBLIN	J. Wally McKenzie	P.C.	Inglis, Man.	R0J 0X0
ROCK LAKE	Henry J. Einaron	P.C.	Glenboro, Man.	R0K 0X0
ROSSMERE	Hon. Ed. Schreyer	NDP	Legislative Bldg., Winnipeg	R3C 0V8
RUPERTSLAND	Hon. Harvey Bostrom	NDP	Legislative Bldg., Winnipeg	R3C 0V8
ST. BONIFACE	Hon. L.L. Desjardins	NDP	Legislative Bldg., Winnipeg	R3C 0V8
ST. GEORGE	Hon. Bill Uruski	NDP	10th fl., 330 Portage Ave., Wpg.	R3C 0C4
ST. JAMES	George Minaker	P.C.	318 Ronald St., Winnipeg	R3J 3J8
ST. JOHNS	Saul Cherniack, Q.C.	NDP	333 St. Johns Ave., Winnipeg	R2W 1H2
ST. MATTHEWS	Wally Johannson	NDP	418 Home St., Winnipeg	R3G 1X4
ST. VITAL	D.J. Walding	NDP	26 Hemlock Place, Winnipeg	R2H 1L7
STE. ROSE	A.R. (Pete) Adam	NDP	Ste. Rose du Lac, Man.	R0L 1S0
SELKIRK	Hon. Howard Pawley	NDP	Legislative Bldg., Winnipeg	R3C 0V8
SEVEN OAKS	Hon. Saul A. Miller	NDP	Legislative Bldg., Winnipeg	R3C 0V8
SOURIS KILLARNEY	Earl McKellar	P.C.	Nesbitt, Man.	R0K 1P0
SPRINGFIELD	Hon. René E. Toupin	NDP	Legislative Bldg., Winnipeg	R3C 0V8
STURGEON CREEK	Hon. Frank Johnston	P.C.	310 Overdale St., Winnipeg	R3J 2G3
SWAN RIVER	James H. Bilton	P.C.	Swan River, Man.	R0L 1Z0
THE PAS	Hon. Ron McBryde	NDP	Legislative Bldg., Winnipeg	R3C 0V8
THOMPSON	Ken Dillen	NDP	84 Pintail Cres., Thompson	R8N 1A6
TRANSCONA	Hon. Russell Paulley	NDP	Legislative Bldg., Winnipeg	R3C 0V8
VIRDEN	Morris McGregor	P.C.	Kenton, Man.	R0M 0Z0
WELLINGTON	Philip M. Petursson	NDP	681 Banning St., Winnipeg	R3G 2G3
WINNIPEG CENTRE	Hon. J.R. (Bud) Boyce	NDP	Legislative Bldg., Winnipeg	R3C 0V8
WOLSELEY	Vacant			

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Friday, June 13, 1975

Opening prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed, I should like to direct the attention of the honourable members to the gallery where we have 30 students of Grade 7 standing of the Lillian Berg School at Vermilion Bay, Ontario, under the direction of Mr. and Mrs. Fossey.

On behalf of all the honourable members, I welcome you here this afternoon.

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports; Notices of Motion; Introduction of Bills, Questions. The Honourable Member for Virden.

ORAL QUESTIONS

MR. MORRIS MCGREGOR (Virden): Mr. Speaker, I direct this to the Minister of Labour and it's regarding an ad that was put in at least the dailies, "We want your views on the shorter standard work week." And the question is, was it put in the weekly papers and periodicals? And a supplementary question, how many replies were received as a result of this requesting briefs?

MR. CHAIRMAN: The Honourable Minister of Labour.

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): Mr. Speaker, I want to thank my honourable friend for giving me advance notice of his question. It is appreciated when that is done. My answer to the honourable member's questions regarding the advertisement which appeared in the papers, a two-column by 3-1/2 inch deep insertion was sent to all Manitoba dailies and weeklies with one insertion only in the Manitoba Business Journals. The first ad appeared early in September just after Labour Day and also in the final week in September.

I sent also a letter to many organizations directly that I thought would be involved, in order to solicit their opinions directly. The invitation was sent to the Mining Association of Manitoba, Federation of Labour, Canadian Manufacturers Association, Winnipeg Chamber of Commerce, to Mr. Mel Mayer the Chairman of the Labour Relations Subcommittee of the Canadian Bar Association, to Professor Woods, Professor of Industrial Relations and the Chairman of the Woods Review Committee, the Winnipeg Builders Exchange and the K-Mar organizations.

We received, I believe it was somewhere in the neighborhood of around about 100-odd replies to the letters, and I indicate to my friend that there was quite a divergence of differences of opinions as to the adoption or not, but after we had assessed the replies, that there were 109 individual letters and 2,500 in the form of signatures on petitions representing 91 percent of public response. In the urban areas in the balance of the province 60 persons responded and in the rural areas 180 individuals indicated their preferences - and I must say that this included such things as store hour closing and Sunday closing as well - and on the basis, as I understand, directly insofar as the work week is concerned approximately 60 percent of the replies were in the negative in opposition to the 40-hour week.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Mr. Speaker, I have a question for the Minister of Colleges and Universities. Can the Minister tell us whether he has been advised if the University of Manitoba may be forced to curtail its enrolment by some 25 percent unless its deficit budget is approved by the Universities Grants Commission, and has the Minister detailed any appropriate action in light of those statements?

MR. SPEAKER: The Honourable Minister of Education.

HON. BEN HANUSCHAK (Minister of Education) (Burrows): No, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: I have a supplementary question, Mr. Speaker. Does the Minister have at this point any plans to assess the possibility of decreased access of enrolment to the University of Manitoba, does he assume, or planning that there will be the same opportunity of access there has been in the past?

ORAL QUESTIONS

MR. SPEAKER: The Honourable Minister of Education.

MR. HANUSCHAK: Mr. Speaker, at the moment I do not have any information re the likelihood of the alleged reduction in enrolment.

MR. AXWORTHY: Well Mr. Speaker, a supplementary to the Minister. Can the Minister tell us when he plans to become concerned about the problem and plans to do something about it?

MR. HANUSCHAK: I'm always concerned, Mr. Speaker, and the honourable member well knows. But insofar as budget approval of the university, that that is a matter for resolutions by the Universities Grant Commission, not by myself.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, I direct a question to the Attorney-General and it refers to an Order for Return filed earlier in the session. I wonder if he can indicate when the particular order referring to the legal costs associated with the CFI Inquiry Commission might be expected to be filed in the House.

MR. SPEAKER: The Honourable Attorney-General.

HON. HOWARD PAWLEY (Attorney-General) (Selkirk): Mr. Speaker, it's being compiled. I hope to have it very shortly.

MR. CRAIK: Mr. Speaker, I direct a further question to the Minister of Agriculture and perhaps he was going to answer on behalf of the Minister of Highways with regards to the motorcycle problem on the perimeter.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): Yes, Mr. Speaker, that's precisely what I had intended to do. The answer to the question put by the Member for Riel is simply the question of review and consideration has been undertaken and the department is preparing some signing along that route. There is some question that has to be sorted out with the Attorney-General's department as to what authority they can impose restrictions on trespassing, etc., under what authority or what Act. But that is a matter that I think we can overcome. There are some signs in the making at the moment and that we hope to deal with the more critical areas of that route as early as possible.

With respect to the question put to me by the Member for Swan River, the department advises that there has been a tentative arrangement with respect to the funding of maintenance on that highway between the Federal and Provincial Governments on a 50-50 basis. But to date no federal funds have arrived and therefore the extent of maintenance will revolve around the amounts of moneys allocated by the Provincial administration, which is 50 percent. So that they may not have as much maintenance as we would desire unless we do get the commitments fulfilled by Ottawa.

MR. SPEAKER: The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): I thank the Minister for that answer to my question. Does he feel confident that the Federal Department of Indian Affairs will provide the funds for the ensuing months to take care of this road?

MR. SPEAKER: The Honourable Minister.

MR. USKIW: My discussions with the departmental people, they are not very positive about that, Mr. Speaker, they are really not sure. They feel that they have only a verbal commitment and whatever that means of course, will remain to be seen. But we are hopeful that that may occur.

MR. BILTON: A supplementary question, Mr. Speaker. I'd remind the Minister this behaviour's gone on now for four years. Would he insist that the department do something for these people?

MR. USKIW: Mr. Speaker, I think the Member for Swan River is playing a bit of a cute game with us here. The Department of Indian Affairs has a responsibility in that the road in question leads directly into a reservation and that there are no other particular interests with respect to that road other than the reservation. So that really it has to be assumed that the Federal Government through Indian Affairs should be paying part of those costs.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Thank you, Mr. Speaker, I have a question for the Minister of Mines and Natural Resources responsible for MDC. I understand the loan to Saunders Aircraft has now passed the 30 million mark. Has the government placed any ceiling

ORAL QUESTIONS

(MR. PATRICK cont'd)at what point they will not advance any more moneys?

MR. SPEAKER: The Honourable Minister of Mines.

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources & Environmental Management) (Inkster): Mr. Speaker, I answered that question fully and deliberately and at some length to the very same member during the discussion of the Capital Estimates.

COMMITTEE SUBSTITUTIONS

MR. SPEAKER: The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON (Gladstone): Yes, Mr. Speaker. Before Orders of the Day I'd like to have some substitutes on the Municipal Affairs Committee. I'd like to substitute Banman for Watt; McGill for Moug; and McKellar for Sherman.

MR. SPEAKER: Agreed? So ordered. Orders of the Day. The Honourable House Leader.

ORDERS OF THE DAY - GOVERNMENT BILLS

MR. GREEN: Mr. Speaker, I wonder if we can get some of the bills moving, Bill No. 27.

BILL NO. 27 - THE MUNICIPAL ACT

MR. SPEAKER: The Honourable Member for Sturgeon Creek is absent. The Honourable Member for La Verendrye.

MR. BOB BANMAN (La Verendrye): Mr. Speaker, the Honourable Member for Sturgeon Creek, my colleague, adjourned debate on my behalf.

MR. SPEAKER: Very well. The Honourable Member for La Verendrye.

MR. BANMAN: Thank you, Mr. Speaker. In the last short while - the bill was introduced only yesterday - we've tried to deal with the bill before us right now. I appreciate the speaking notes that the Minister gave to us yesterday.

The main part of the Act, of course, I think the major portion of the Act, deals with the setting up of a Municipal Pension Board. This pension board will be looking after people that are working for municipal governments throughout Manitoba, and I think that's an area that the Minister has had some consultation with the Urban Municipalities and also with the Union of Municipalities with regard to this particular problem. It's a problem I think that has faced many municipalities. They had a plan for the secretary-treasurer but they didn't have a plan for the balance of the employees, and I know from my own personal experience in municipal work that it did cause problems when dealing with police departments and different . . . the Public Works people, Waterworks people, in rural municipalities.

I can see several benefits that can arise from this particular portion of the Act and I think we'll be interested to see how it works and how it develops. I would just like to make the one comment, that the composition of the board that is to be set up, I think that the Union of Municipalities and the Urban Municipal Association should possibly each have two members on that board, thus giving them both a certain amount of representation from those two associations on that particular board.

I also noticed there is an attempt again to deal with the problems of annexation, and I think we've mentioned this before. The urban sprawl problem that surrounds not only the Metropolitan Winnipeg area or the Unicity area is also a problem that is facing many rural-urban municipalities. And I notice that the Minister, by setting up different procedures, that these municipalities and small urban centres can apply to the Municipal Board, but I would again note that I think that many of these decisions are rather dicey and the Minister, in the final analysis, regardless of what the setup is as far as the petitioning for alternatives and that type of thing is concerned, that the Minister in the final analysis is going to have to make the decision himself on these matters. It's a touchy business when you get the situation such as we had with Brandon and Cornwallis, and I refer to another specific incident between the Rural Municipalities of Hanover and Steinbach in my own constituency.

Another area that's probably welcome to the municipalities is that now they can enter into lease agreements and also buy equipment on time, which, as mentioned by the Minister in his opening or introductory remarks, the price of road maintainers and this type of equipment, caterpillars and different type of earth-moving equipment, has really increased in cost

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(MR. BANMAN cont'd)over the last little while and it's made real hardships for some of the smaller municipalities with lower assessments to go ahead and purchase this equipment all in one shot.

The only question I would have with regard to that particular section is will the municipalities be able to buy and apply this particular Act to lands being purchased for development of subdivisions and different municipal branches that they go into? In other words, will land be included in this particular aspect?

The other thing, I think, that most municipalities welcome is the increase of the rate that they can charge for arrears in taxes. I think it more realistically reflects the interest rates of today. When I know many people can borrow money at no less than 11, 12, 13 percent, I think it's only right that the municipalities on taxes that are in arrears should be able to levy at least a 12 percent interest rate per annum on taxes in arrears.

The other problem, and this is rather maybe looking at it from sort of a parochial approach, is that we are going to be sort of making a uniform approach as far as the elections in the province are concerned. I would note that most of the municipalities in my constituency right now are on a three-year election basis. In other words, the councillors are elected and the reeve is elected for a three-year term. The Town of Steinbach, I would note, is on a three-member-per-year rotation basis. In other words, a council member is elected for two years, and of course the concern that was expressed to me by the councillors of that area - and I imagine the 35 percent of the remaining municipalities that are under this particular system at present - the concern is that they did not want to see a wholesale change in Council every three years; in other words, that all the councillors are up for re-election at one time. There was some concern about a certain amount of continuity to the Council at that time. Now I can appreciate that the Minister is trying to make sort of a uniform standard approach to this particular problem, and it'll probably be received by the councillors in the different areas.

Another point I don't think that is a contentious one either, is that the municipalities who want to get involved in either building an airport in another municipality such as Steinbach in the R.M. of Hanover or something along that line, I think the requirement that the municipality in which the airport will be located must pass a resolution giving sanction to that particular development is also a beneficial one, and I would like to say that we on this side will be following the bill with interest to see how the pension scheme will work. We are also going to follow very closely to see how it will be implemented and hope that it will be to the benefit of the people employed by the municipalities, and also possibly alleviate some of the problems and the headaches that the Councils themselves had to deal with in the past. Thank you Mr. Speaker.

MR. SPEAKER: The Honourable Member for Souris-Killarney.

MR. EARL McKELLAR (Souris-Killarney): I'd just like to say a word on this particular bill and I think we're pretty well in agreement with most everything that's in the bill, because he does set up this pension plan for municipal employees, and I was reading it just now where "exemptions for employees under prior plans" and I just didn't notice this when I read it yesterday. But I think this is a good idea, because many of the employees do have pension plans, especially for secretary-treasurers. Now I don't know how this will fit in, and I suppose when the new Pension Board is set up they in turn will decide the ground rules, I would imagine, how it relates to employees who were on former plans and how it relates to employees who start working for municipalities from now on.

One of the problems the municipalities are having right now is keeping good men on the employment of the municipalities, running their patrols and their cats, and also their repairmen, and there's several municipalities, along with their secretary-treasurer? There's quite a movement of people from one municipality to another, also from municipalities to other positions, and one of the reasons, because they had lack of security, maybe in the job, and maybe this will more or less assist the municipalities in trying to retain good employees, and also give them some security over the years to come.

The pension scheme will be financed between the employees and the municipalities and I guess the amount of money that's contributed by both parties will be set out in the plan after it's developed by both parties, but I was wondering if the government other than a loan, had any intention of putting money into this particular pension plan? As we all know, the private pension plans, some of them are having severe problems these days because the investment

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(MR. McKELLAR cont'd) market are having their troubles. With the private pension plans they're having troubles trying to keep their plan viable so that their employees are protected. I was just wondering if the government had any intention of putting up any amount of money to start this plan off.

Now, the one other thing that does concern me, Mr. Speaker - and I don't know how much it does concern the municipalities because I haven't had a chance to talk to them yet - but most of the municipalities in my area are still on the two-year elections, where half the council are elected each year, and I was just wondering what the reaction of these particular municipalities will be, whether they'll go along with a three-year term or what, but we'll find out in committee anyway when Monday evening this bill gets Second Reading. In my own case, in my own municipality it's on a two-year, with half the council elected each year, and they have not changed.

Now the Municipality of Morden, they've gone on a three-year where the whole Council is elected and they've even done away with the word "boundaries". They have no wards. So they're on a different system altogether. Now it will mean that they will have to all revert in two year's time to three-year elections from then on. School boards and councils will be all elected on the same given day in October on that year.

Now, Mr. Speaker, there's other sections in here that pertain to other sections, amendments to the Municipal Act, but I think that the main one here in this bill is dealing with municipal employees' pensions, and I would hope that sufficient time will be given to these parties to come up with a good plan, a good plan, and I have heard the Deputy Minister explain to Boissevain this year on an Urban Association Regional meeting an actuarialist plan and how he thought it should . . . But I wasn't altogether in agreement with that because the rates of the amounts of money that each employee put in was graduated according to the age of the employee.

Now, the Province of Manitoba for their employees has one of the best pension schemes that anybody could devise. And I would suggest to the Minister, as he is discussing with the people here who are going to set up this plan, that they follow the Civil Service Superannuation Pension Plan that now exists. They contribute 6 percent, the government puts up so much money, an equal amount. It's based on two percent times the number of years of service, times the average of the last seven years' salary. And this is the way it's based right now, and I think this is an excellent plan.

Now one of the problems there's going to be for older employees who reach the age of about, I would say 55, 60 years of age, whether they're going to go into this new plan, or whether they're going to carry on with their old plans as they presently exist. Many of them do have a secretary-treasurers I'm referring to principally - because most of the other employees don't have a pension plan. I should say most of them don't, but it works out about half. So I would say that if they adopt the Civil Service Pension Plan, the scheme as such, and I think they couldn't go wrong, because I think in the long run it would meet the needs of most of the employees. I would hate to see the employees go on a graduated scale of paying in; the younger you are the lesser the amount you pay, because I think it would create more confusion than it would be worth the effort. So I think they'd be better to go and pay in a 6, or 8, or 5 or 6 percent, or whichever they set, everybody pay the same amount, and then they collect when they're ready to retire after so many years of service.

Now there's one other problem that's going to exist: Say an employee had worked for a municipality, as secretary-treasurer, and other employees, for ten years and didn't have a plan at all, is it going to be possible for them to buy in for past years of service? I would say they should be treated the same as the MLAs were when our plan was brought in in 1967. At that time I was elected in 1958 and the plan was brought in in 1967. I paid back nine years, and I bought in and paid it back, and the other members, too, bought in at that time, and I think these employees should be given the same privilege. I know that it's going to cost the municipalities some money because they have to put up equal amounts of money. But in the long run, after all, our municipalities can only survive if we have good employees. They can only survive if we have good employees. And I think now is the time that they need some protections for their retirement years, and I think this is the right way to handle it.

Now I suppose when we go into committee there'll be lots of ideas on how a pension plan should be operated. But in the final analysis the people in this bill who will represent the

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(MR. McKELLAR cont'd) employees and represent the municipalities, and the Chairman who is neutral, and who will be appointed, will naturally have the responsibility of devising the plan, and they in turn will have the responsibility of making it operate after they do devise it. So I do wish them well, and I hope that in the long run our municipalities - and I'm sure they will be - will be better off for you, Mr. Minister, having brought in this pension scheme, and I'm sure that the people in Manitoba will, the money they're going to contribute, it'll be money worthwhile being spent.

INTRODUCTION OF GUEST

MR. SPEAKER: Before we proceed let me direct the attention of the honourable members to the loge to my right where we have a previous member of this Assembly, Mr. David Orlikow, M.P. for Winnipeg North. On behalf of the members I welcome you.

BILL 27 (cont'd)

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, I wish to just comment very briefly on Bill 27 and to support and reinforce some of the comments made by the Honourable Member for La Verendrye and the Honourable Member for Souris-Killarney.

I don't propose to deal with many of the changes. I'm relying upon the research being done by some of the other members and some of the people more directly affected in that, and I'm sure that at the committee consideration what discussion and what changes necessary will be proposed.

But Mr. Speaker, I merely want to say again that I have some reservations about the mandatory feature of triennial elections. Up until this point the choice was one of option for the rural municipalities. I can see some weakening, perhaps, in the strength of a board of a municipality if it should happen that all of the members of the board elected under the mandatory clause were new members, that there would be a lack of continuity and that some of the work of the rural municipalities board would suffer as a result of this change.

Mr. Speaker, this is a situation which may not arise too often in the election of rural councillors, but is one that should be considered and I hope that the Minister in his summation on this bill will be able to sustain this change and provide strong support and reasoning for making it a mandatory clause at this stage. I feel that there was some merit in the optional feature, even though it introduced a lack of uniformity in the activities of the rural municipalities and probably provided a little more bookkeeping necessary for the Department of Municipal Affairs.

Mr. Speaker, with those few words, I think that this bill can be dealt with adequately in committee.

QUESTION put MOTION carried.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, I take it that the Honourable Member for Riel is not prepared to proceed on Bill No. 57.

Well then, Mr. Speaker, I move, seconded by the Honourable Minister of Colleges and Universities, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MOTION presented and carried, and the House resolved itself into a Committee of Supply, with the Honourable Member for Logan in the Chair.

COMMITTEE OF SUPPLY - MINES, RESOURCES, ETC.

MR. CHAIRMAN: I refer honourable members to Page 34 of their Estimate Books, Resolution 78(b)(1). The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I wanted if I could to pick up on some of the points raised by the Minister in both the presentation of his remarks on this department, and particularly his description of the total kind of commitment he's made to a new minerals policy.

I would first begin by saying, Mr. Speaker, that the way that the Minister has approached it is a welcome relief in the sense that at least we have one Minister who is prepared to put together a comprehensive policy, that there has been a horrendous lack of that kind of

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(MR. AXWORTHY cont'd) comprehension and of pulling things together. Most of the policies we see by this government come forward in little bits and pieces and little dribs and drabs, and so it is welcome at least to see the Minister in presenting a minerals policy in terms of the taxation component, and the regulation component, and the exploration resource component, saying that this is a total package of things that is designed for a specific set of purposes, and that itself is such a refreshing change. It is too bad that in a sense the policy is so misguided in part, but at least we have to give it first marks in terms of that commitment.

I would want to say, Mr. Speaker, that when I say the word "misguided" I mean only to the degree that when you add up all the parts, the whole becomes greater than the parts, and while we agree with specific items within that, certainly the tax policy, the Bill 16 that we just passed yesterday, we felt was a fair and equitable measure in terms of ensuring that there was a respectable return for the Province of Manitoba, and the people of the province. But when you add up all the rest of the pieces and you put the other measures into it, you begin to find out that the policy itself has a very different set of directions to it, and that we're not simply now asking for a way of balancing the interests of the public against the interests of private industry in terms of ensuring a fair share, but in fact there's a very distinct and very different philosophy, and very different set of programs at work which really is the replacement, in a sense, over a period of time, of private industry. So that while, in a sense, we can agree with the one component of that policy, that when you add up the other pieces together, we find some very dangerous kinds of trends.

I found, Mr. Chairman, that the rationale that the Minister used to be one of great curiosity as well as of some contradiction. We have recognized in this House that the Minister has a great ability to set up straw men, knock them down, and then pretend he's defeated an argument. But I think in this case, he's also set up a kind of position which I found intriguing in terms of its almost, of its dialectical nature where he is talking that somehow, by some magic, the imposition of more control ends up in more freedom. I think that that seemed to be the equation that he was trying to establish, that somehow if the state and government itself takes over more control, that somehow the rest of us are going to net freer as a result of it. That was an interesting position to take, Mr. Speaker, because certainly it jars one sense of what can be expected, both from a practical point of view and I think also from a very direct philosophical point of view. The Minister is quite correct. I think that that particular approach is what does tend to divide people in this House. There's no question about it. So I think it's worth arguing that issue and determining really to what degree is his equation that somehow more public control, or he uses in part the euphemism participation, but control, participation, whatever the word is, somehow ends up in more freedom.

Well, first I suggest, Mr. Speaker, from a very practical point of view that if you look at the kinds of equations he established, I would ask him a simple question: Has the ownership in the Province of Manitoba of Saunders enabled the Manitoba citizens to have more freedom? Are we, as a result, now more free because we've blown some 30-odd million dollars? Has that somehow made us a freer people? Let me ask the question, Mr. Speaker - we could even take it more extensively. Has the extensive public ownership in Britain of the coal mines, and the railways, and the steel industry, has that allowed the British people a greater freedom? Has it given them more control over the economy? Have they been able to manage better? Are they more effectively able to control their standard of life? Do they have a greater leverage against private industry? Well, Mr. Speaker, if you look at the results in terms of what's happening in that poor country at this present time, one would have to have some cause for concern.

Mr. Speaker, even if you take the logic of the Minister's argument even further and say, more control equals more freedom; and if you, say, follow that logic through into some of the Eastern European countries where there is an extensive amount of control, almost total control of the economy, could we really make the case that somehow people there are more free? Now, if we're going to follow the logic of the position put forward, simply saying that, you know, you can't be halfway pregnant, if you're going to ask for more control because you want more freedom, then you have to ask the question by examining elsewhere, who has got more freedom as a result of more public control?--(Interjection)--Well no. The Member for Swan River wasn't listening very carefully. No, the Member for Swan River . . . I stated the case

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(MR. AXWORTHY cont'd) very clearly that there is a difference between voting for an increased royalty tax which asks for a fair return of money investment in comparison to the total package that the Minister has woven together in terms of a minerals policy, which really is aimed at control, and there is a difference between the two. There is a difference between a taxation policy and a control policy. If the member doesn't understand that, then I think he should go back and look at some fundamental economics because I think taxation policy is one way of providing some rules about how private industry, how private business should operate. I think that any government has established, sets out certain rules as to what it should be doing, and taxation policy is one that can be it can be good taxes or bad taxes, and in this case I think it was a fairly clear and definable case that in fact there was not a fair return coming back from the mining industry in terms of a tax return to the public in this province, and therefore we needed a better deal on royalty taxes.

But the argument I'm making is that if you begin stitching together that tax policy and merging it with the regulations that were passed last January, and merging that together with the Mineral Resources Limited, it ends up in something very different and was simply presented as a tax policy. It's a very different kind of animal that we're dealing with. The Minister himself has said so. I mean there's no secret to it. If the Member for Swan River would read his Hansards, or listen to the debate, he'd realize the Minister has said, I'm doing something very different, and the tax policy is only one building block in a total foundation. We're saying, okay, let's take a look at what he's doing; let's not get diverted into making false mistakes and voting against what is probably a fair and equitable tax and missing the real issue, which is what it is going to end up in terms of the proposition proposal this morning, and that is somehow control leads to more freedom. Because Mr. Speaker, I think that there is, as I said, just on the pure basis of empirical argument, some real reservation about whether public control necessarily leads to a greater degree of personal freedom, or individual freedom and liberty, for people, because one of the things that go along with that kind of economic position is that you eliminate certain areas of freedom.

I think that the Minister, also has recognized a trend which he puts forward as an assertion of an undeniable or inalienable truth somehow that government should control the economy, and yet we suggest that it was only 30 years ago when governments didn't have any real involvement in the economy at all, that they were a kind of law and order position, put policemen on the streets, restrain, keep things in order, and keep your hands off the economy. It was only really since the Second World War that we have established through, I suppose, the insights of Keynes economics, the government has some responsibility towards full employment in terms of trying to regulate the use of capital, and regulate the use of demand, and --(Interjection)-- No. It's very different. No, I think that Marx didn't have much to do with that particular position. I think the kind of position put forward by most western economies in terms of establishing a degree of government intervention was based on the idea that somehow government has a responsibility of setting a framework within which the private economy operates, of setting both certain rules about collusion and concentration and monopoly, which we do through combine rules, as well as setting certain returns that they expect through taxation laws, and then by trying to regulate the economy in terms of the kind of aggregate demand. Now the Minister is taking that one step further and says, okay, not it's an inalienable truth that somehow we're going to control the whole thing, and that that is somehow going to lead to greater public participation in decisions, that somehow that his will lead to greater freedom. And therefore --(Interjection)-- well, we keep hearing these kind of kindergarten kind of economic analysis going on behind us, and the point of the matter is if someone doesn't yet understand the difference between a taxation policy and an ownership policy, then it's time that we go back to some basic tax because there is a difference. I suggest that the Member for St. James have a look at that.

MR. CHAIRMAN: Would the honourable member direct his remarks to the Chair and to the microphone.

MR. AXWORTHY: I'm sorry, Mr. Chairman, but there is a certain, I suppose, some rudiments that we must go over in order to explain some things to certain members of the House.

So the question we want to raise, Mr. Speaker, is, then does this total mineral package really end up giving us a greater degree of freedom, as well as ending up in terms of a way of allocating capital more effectively and leading in effect to a more efficient production of

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(MR. AXWORTHY cont'd) jobs and income for the Province of Manitoba? Now I suggest, Mr. Chairman, that in fact that that is not going to be the case, that from the pure basis of good empirical evidence, there is nothing to suggest that greater control is necessarily going to lead to a greater participation in decision-making. I think one of the reasons is members on the opposite side make a certain fallacy about government itself; that they tend to make a fallacy that somehow government, the election of its representatives provides a clear and direct and unalterable line of influence and accessibility for individuals to make decisions. Yet I think the evidence that we have run into increasingly is the fact government itself oftentimes becomes a problem, that it itself becomes close-minded and full of vested interests, and inaccessible to people, and in fact can become one of the major obstructions to the exercise of freedom, and to the exercise of individual control.

One of the reasons why we in this particular group continually emphasize in bills that come through certain requirements to go beyond the simple sort of traditional and conventional notions of elected representation, which is the touchstone that must be added to, is because of that fact that government organization itself becomes large and unwieldy, and becomes in many cases a power unto itself, and becomes capable of making decisions with no reference point to what individuals want, but simply to what becomes the internal objectives of that organization. There is certainly enough evidence in our own province and in our own country, and in other western industrial worlds, that one of the dangers that we must also face is the large public corporation, just as the large private corporation, because the large public corporation can become itself as much an oppressor, and as much an obstruction in the free flow of an economy as can private corporations that get too large and too unwieldy. Because in fact what really takes place, Mr. Chairman, I would suggest, is that the largeness of the corporation itself becomes a problem, and whether it sort of has some tangential relationship to a public authority, or to a group of shareholders, becomes irrelevant after awhile. It becomes the managers of those corporations and organizations which really call the shots and make the decisions, and that is one of the primary problems that any legislative body must deal with, and that is how to bring large organizations into more accountable positions, whether they be public or private. That is what concerns me, Mr. Chairman, in terms of the position taken by the Minister, is that we may in fact by giving increasingly more power to the Department of Mines and Resources to provide its kind of determination investments and to Mineral Resources Limited corporations, and all the other kinds of corporations we're setting up, they themselves may become increasingly less accountable and less responsive and less responsible. And that I would suggest, Mr. Chairman, is something that must be looked at as one of the ingredients in this minerals policy that the Minister has produced in its different facets.

I think, Mr. Chairman, you can also begin to make a pretty good economic case in terms of the allocation of capital to resources, that because the market, for all the scorn that is heaped upon it in this House by members of the opposite side, has always produced a certain economic function, and that is, it has been a fair determinant of prices of what one should be paying for things and what one should be selling for things. I agree and concede that in the world of large mining corporations, the market oftentimes doesn't operate as clearly as it should, that it is not the best allocator because there tends to be a problem of administered prices. But if that's the problem, then maybe that's what we should be zeroing in on. How do you get, perhaps, a better market allocation of things as opposed to replacing that kind of administered prices on the private side with an even more administered price system on the public side, where there is no market mechanism at all in operation. And I think that when you get into the whole question of what we're establishing increasingly in this province in terms of the large aggregation of the public household, we're continually taking more things under the basket of things that we are owning, operating, and determining, and increasingly providing a greater degree of regulation and decision-making on the use of capital that it does become, as the Member for Lakeside pointed out this morning, a question of trading off on priorities. And those decisions aren't made on good economic grounds, they're made on which Minister carries the biggest stick or has the ear of the Premier closest or happens to be in Cabinet that day. I think you begin to lose the ability of some economic criteria to be determining and it becomes based, the investment decisions and the amount of capital available between the Health Department and the Agricultural Department

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(MR. AXWORTHY cont'd) and the Mining Department become based on political in-fighting, negotiation, bartering, sort of apple polishings and all the other kind of techniques that go on in those Cabinet chambers - and that increasingly the restraint and discipline that may be imposed by a greater degree of economic criteria becomes lessened and weakened and the political criteria begin to take over. And that is, Mr. Speaker, one of the reasons why when we start looking at things like MDC and so on, I think that is what begins to happen - is that the political calculations - and I don't mean that in a partisan sense, but the sort of kind of internal process of political machination and dealing and all the rest of it begin to become the criteria for decision-making, not some basis of dollars and cents, and where do we put capital here and when do we pull out.

One of the other problems that we have, Mr. Speaker, as we begin to increase public ownership and involvement is that the public owner becomes increasingly able to cut his losses and get out when things start going bad because public pressures build up and you don't want to lose faith, you've got an election around the corner and it's very difficult to sort of fess up to the public and say, hey, we just blew a bundle, folks. That becomes a very difficult kind of thing to do, because the political restraint that the Minister is talking about operates and some times is a two-edged sword - and as good politicians, as the members of the other side are, they begin to say, well lookit, if we have to really cut our losses in January, but we got an election coming up in June, do you think we can carry it over to July - and all of a sudden, sort of, a decision that should be made in January for the best economic interests of that mining company or corporation that we're now owning or developing doesn't become based upon good economic criteria, but it's being judged on political grounds. And that, Mr. Chairman, is why I also fear this kind of total impact of this mineral policy because I think that in many cases, it just doesn't lead to good economic decisions. I don't get hung up, sort of, on the area of really, of the kind of ideology behind it, but it becomes a real practicality as to whether you're going to get good decisions or not. I think that should be a real point of concern when we begin to involve ourselves deeper and deeper into ownership functions in the economy.

Mr. Chairman, the Minister suggested this morning, and somehow he said, "Now lookit, why don't I go back and tell my friends in Ottawa or whatever it is that they're wasting a lot of money too? Well, I always say that I somehow at this stage haven't been elected to a Federal House and my responsibility is in the provincial level, I try to confine my remarks to that. But let me also say, I'm not particularly wild or enthusiastic about what they're doing either. I don't like what they're doing in Nova Scotia, I don't like what they're doing in Ontario, I don't like what they're doing in Manitoba in the way that we have become sucked in to increasingly shoring up and propping up and expending large amounts of public capital in terms of this kind of industrial investment policy. I think if we want the market to work and we're going to do it, let's say it, and let's quit wasting a lot of money in it, whether it's through the kind of equity investment that the Minister wants or through giving an awful lot of free grants in areas. The only place where government has a responsibility is when it has a very clearly defined social objective and they're saying that we're not going in there for economic reasons, we're going in there because we have to create jobs and as a result, we're going to subsidize an industry. It's very clear and very articulated, and that's precisely what the money is set forward for doing; and if that's the case, all right - that has been a tradition in this country that I suppose has been accepted by Conservatives and Liberals and so on, and that's why we have set up things like, along the way, different kinds of Crown corporations in this country. But what we're getting increasingly ourselves into is a very murky area where we are using an awful lot of public money in all kinds of grants and subsidies and investments, and holding positions and everything else, and it doesn't add up to a good clean-cut economic system because it's no longer able to first put some good economic restraints on it as well as provide a good basis of accountability - the primary case in this province, of course, is the CFI one, we've lost the biggest bundle on that. I think probably the way we're headed now on Saunders, where there is no ceiling on what we're going to spend, we could be ending up in the same kind of hole in that one, perhaps without the same - that the Minister may have his eyes much more open that we had in CFI, but we're still getting into that same kind of, you know, half a million here, another million there, where we're going to sort of kind of two-bits ourselves into a bankrupt position; that is one of the real problems

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(MR. AXWORTHY cont'd) when governments gets into this sort of kind of business where it starts laying out money, either in terms of grants directly to private industry.

I think it's about time in this country, generally, that we took a look at the whole program of industrial investments, whether it's by the Liberal model or the Conservative model or the NDP model. The same point is that we're using public capital as a direct form of investment in various forms of industrial enterprise, and we have tried to suggest at times in debate in this House, Mr. Chairman, that the money might be better spent in terms of providing the kind of facilities and services and infra-structure that supports a creative and productive economy in terms of making sure that we've got good schools and good roads and sort of good research going on and that kind of thing, because that, in many cases, becomes a far more productive incentive to the development of industry. If there are cases, and there are, we directly want to say we have a group of unemployed people with no skills and we want to get on-the-job training, and we should be saying then we're prepared to provide a tax incentive to an industry to do it and that's the reason we're doing it - and clearly everyone, taxpayers and members of the House alike know that's why we're spending the money, and there is no confusion and no attempt to try to becloud the issue.

And so, Mr. Chairman, I think that is the problem we get into if we look at the total impact and condition that the Minister is setting on this policy - that we are eliminating any benefit that one might accrue as a result of having a market system at work when you get the market signals coming back in terms of determining prices, supply, and where you're going to sell and at what consideration. I think that you bring to lose, and I suppose that we can only partly hypothesize in this case. The Minister says, "I think I can attract as good prospectors and managers as private industry" - and perhaps he can - but the question is, does he also supply the same sort of incentive that goes along with it. I don't know. Does a man on salary working in a large organization have the same incentive as someone who can sort of think that he's going to make the strike big himself? Maybe that's an illusionary kind of goal, I don't know. I've never been a prospector and I wouldn't pretend to know what kind of motivation goes on. Though I am saying that there has been and there still is an area where people have incentive for gain and for profit and I don't think that as much as we would like to eliminate that, that still is a legitimate and in many cases a useful kind of incentive. It shouldn't be the overriding one and that's one reason why we're here, to provide a counter and a balance to those kinds of incentive; but it still can be a very strong and motivating force and there's people working longer hours and doing things above and beyond what the exact requirements of the job say they should be doing.

So, Mr. Chairman, I think that we may be losing things along the way, we may be losing certain aspects of the mining industry that may be important. And so I just simply want to underline, I think that it is critical, and that's one reason why this group supported the idea that the public has a right to get a fair share on its own resources. We believe that that can occur through a clear-cut definition of the tax laws; that we also have a right to set certain rules as to how industries should operate in terms of protecting against abuses, but we are afraid that once the other parts of that package begin to move in, where you begin to slowly eliminate and replace, then you lose some of the advantages and increasingly lose the ability to make good economic decisions, replacing them with political decisions - and political decisions are not always in the best interests of the people of Manitoba, if in fact they end up not producing the kind of jobs and income and revenue that they should be producing. If that's the case then, Mr. Chairman, the people of the province are simply losers in this proposition, not winners.

MR. CHAIRMAN: The Member for Lakeside.

MR. HARRY ENNS (Lakeside): Thank you, Mr. Chairman. Mr. Chairman, I just want to reassure the Minister, despite anything that he's heard of the firm and unwavering position that the Member for Fort Rouge has with respect to his mineral taxation laws that he has enacted just as late as yesterday in this House. Secondly, that the Liberal-NDP coalition, whether it's welcomed by him or not, nonetheless is still very much in existence, despite what he heard today, because you know, Mr. Minister, deep down in the bosom of your soul, that when it counts, you can count on those fellows to vote for whatever you propose in this House. Now that's all I wanted to reassure the Honourable Minister before he took too much time, because time is of some importance and value in this Chamber, in shadow-boxing with straw men put up by certain members of this Chamber - that you should take that

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(MR. ENNS cont'd) . . . into account as you rise to respond. Further to that, I think the Honourable Member for Riel probably has some more cohesive remarks to make with respect to the contribution just made right now by the Honourable Member for Fort Rouge.

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, the Member for Riel will get an opportunity. I kind of think that this has been one of the more interesting debates, and my only fear in continuing with it at this level is that it's going to become so interesting, it'll never get by the Department of Mines and Natural Resources. But be that as it may, maybe that doesn't matter as much as having the issues clarified.

The Member for Lakeside, I know, prides himself at being able to push positions which will divide the House between Liberals and New Democrats on one vote and Tories against. Mr. Speaker, I admire that position, because when I was in the New Democrat Party and we were in Opposition, I tried desperately to frame motions which would have the Liberals voting with the Conservatives, and they did vote with the Conservatives. --(Interjection)-- Well, Mr. Speaker, I remember that they were so embarrassed once that they had to vote for a universal medical care program which they did not want to vote for - and various other things. I remember the Conservatives were making very good fun of them because they ended up finally, in order to sustain a position of non-confidence in the Conservatives, voting for a motion which almost adopted the entire New Democratic Party program; and after having done that, they avoided it at every subsequent vote of non-confidence, to the extent that the Liberals were voting with the Conservatives, the New Democrats were the Opposition, and when the government had to change, the New Democrats became the government. And therefore, having some sympathy for the strategy myself, I can't help but admire the Member for Lakeside for trying to put the Liberals in the same position.

Unfortunately for both the Member for Lakeside and for myself, it may be that his position and the position that I have taken from time to time, do become the actual movers of social or economic positions; but unfortunately, it's always the expletive deleted Liberals who then proceed with that program because they don't have a program and they are able to adjust themselves to whatever program we bring into existence, and that is because the Liberal Party are the most professional politicians that there are in the country, and always have been. They do not mind what program is being administered provided they govern - and that is true, by the way, regardless of whether it is a Conservative government in power, the Liberal government in power, or the New Democratic Party government in power. Since every thesis works on the basis of thesis, antithesis and synthesis, and the Liberals are the synthesizers, they hope to govern no matter what the program is. Now I can't operate that way, Mr. Chairman. I have to move or try to move in a particular direction and have a particular position regardless of who governs - and that's the difference. The Liberals don't care what the position is as long as they govern. I care less about who governs than what the position is. That's why, you know, when I hear the Leader of the Opposition saying that when we come to government, we will not eliminate Saunders Aircraft in an election campaign, we will merely run it better. I believe that I have won, no matter who governs. And by the way, I am not a particular fan - and I've made this point clear from time to time - of the system of the Manitoba Development Corporation. That wasn't a New Democratic Party program, that was a program that was designed by Liberal and Conservative administrations to make up for the defects of the philosophical position that they were taking - they saw a need for public financial involvement and yet they wanted to ideologically maintain this being done through the so-called free enterprise system. So they went on a program of publicly financing private initiative. --(Interjection)-- All right, that's a better phrase. I thank the honourable member. Because they wanted to remain technical virgins, and so did the Liberals; and therefore they devised a program to boost the economy which they saw was not operating as they would want it to operate, and under pressure developed a corporation which amounted to a public investment for private control.

And this is where the Member for Fort Rouge has really misinterpreted my position. We are operating the Manitoba Development Corporation under guidelines which were in existence prior to us coming into government. We have done something different, in that we have opened the books - and I believe that the opening of the books and the realization of the mistakes that are made by one party or the other will in the last analysis improve the political position that I am pursuing, because I believe that the public will not demand that you don't do

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(MR. GREEN cont'd) . . . these things but that you do them better, that you do them properly; and if they want to criticize a mistake that has been made, I do not believe that they will change the philosophy of the operation, I just believe they'll start getting better and better means by which it works. And for the Honourable Member for Fort Rouge to say that I have said that through more state control you get more freedom, is to of course use phrases which suit his particular position but do not correctly in my mind interpret our policy. What I have said is this - and when you are dealing with the particular industry that we are talking about - that in the western world, we have generally realized political democracy; that all the aspects of representative government and the democratic process are there, but we have allowed the economic sector to remain essentially in private hands, and therefore, we have achieved political democracy but we have left a great sphere of decision-making in the hands of private people - which cannot be upset by the democratic process; you cannot - with great respect to contradiction - I could not introduce the tax bill that I introduced yesterday and get voted on without being able to say to the people in those areas that the mining companies will go along with this policy because if they don't, we will have to deal with public participation in the mining companies. If I said that we're introducing a tax policy but we are completely depending upon the mining industry, then the Member for Thompson could not face his miners, the Member for Churchill could not take the position that he took, nor could the Member for Flin Flon take that position. It just doesn't happen. Economic control is, in most cases, far more important than political control, and if the honourable member will go back into history, he will see that those areas in the United States which had control of the political process were by and large under the control of the giants of industry. Now I don't blame the giants of industry. I mean, I think that they wanted to do things and sometimes the government was in the way, so they had to tell the government, "If you don't get out of the way, you're going to have problems" and the government got out of the way, or else paved the way.

Now I believe that with regard to the industries that we are talking about - first of all, we are dealing with resource industries; we are dealing with products which belong to the people - we're dealing essentially with areas in which the industry is composed of large conglomerates, where the honourable member himself has admitted that the competitive market is no longer the controlling factor, that there is enough control in the industry itself to be able to adjust the market or administer the market, and therefore to the extent that the public wishes to have a greater control, it has to have a part of the economic control, and the only way the economic control is obtained is through economic participation, to use exactly what the industry has used in order to have its control. So my position was not state control, but state participation in that area of economic activity which is now the exclusive province of the private sector. And to that extent, I say, yes, that gives me more freedom.

Look, wipe out the Autopac deficit, which you people seem to be placing the most reliance on. Let us assume that the Autopac next year, or hopefully, if it's not next year the following year, runs so that its income meets its expenditures, I will consider that I have more freedom as a citizen of this society because of the democratic control of the automobile insurance underwriting system than I had before it existed, because then I can control the economic investment, then I can control the flow of funds, then I can control the investment procedure and the decisions that have to be made, which I cannot control if that feature is left entirely within the private sector. So, with regard to the mining policy, I reject the honourable member's notion that you can implement a tax policy and ignore the participation policy. You will continually find yourself to be under the control of the industry itself.

So the honourable member, he picks the ultimate example, in Eastern Europe, in Russia - let's be quite harsh, in Communist Russia they have control of all the means of production. Does that give the people more freedom or less freedom? Well, Mr. Speaker, you know, the people in Russia never ever achieved genuine political freedom. They had the dictatorship of the Czar, in which they did not have political freedom, and they moved to what they called the "dictatorship of the proletariat" in which the political freedoms never existed either before the revolution or after the revolution. So they never had political democracy and as such, they could never have economic democracy. In the Western World, on the other hand, we have achieved political democracy, and any moves now towards economic democracy, and I'm not advocating total ownership of all the means of production of all industry in the Province of Manitoba, or in this country, but I say that where the market forces no longer ensure the type

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(MR. GREEN cont'd) . . . of free play and protection for the citizen that is written in the economists who talk about the free enterprise system, then Adam Smith himself would say at that point, the public cannot leave these things in the hands of private people because the private people will then be in perfect control and there will be no democratic control over them.

If the honourable member wishes to historically see whether this is correct, he can look at what happened in the oil industry; he can look at what happened in many other industries in the United States, which grew up to be almost entirely monopolistic, the railroads, the gas companies, the utilities, the street railways, they were privately controlled. That didn't make the people more free; it made the people less free. What we are attempting to do is to have freedom of action in economic affairs in those areas where the market forces, as you called them, have mushroomed to the point that what we are dealing with is administered private industry rather than a competitive industry. And the resource industry is one that is of its nature an administered industry because it cannot operate without a franchise from the people to have exclusive right to remove a certain resource and then deal with it. What we are doing is saying that where that is there, we are going to ask for a public participation. The member says that this indicates a policy of total control of the industry; I have indicated that that is just not practical. I'm not saying that it would not be idealistically sound, there would be nothing wrong with it, but it is not practical. Society has not grown up that way. Furthermore, it is not fair, it is not fair to say that those people who have operated and come in here and made investment on certain rules should not be treated by the state with reasonable fairness in terms of realizing their expectations. Because I think everybody in the public wants that same kind of treatment, and they will see that that kind of treatment will be afforded to them by the way you treat anybody else.

Now, Mr. Speaker, with regard to something that was said by the Member for Lakeside this morning in the question of just how much of a challenge the people will accept. You know, it is very hard, it is very hard; it is not an easy thing to be continually referring, or the Minister answerable for problems that arise with Flyer Coach Industry for \$30 million that have been invested in an aircraft factory in an attempt to do certain things, but for the Member for Fort Rouge to say that these are political decisions, hoping that you will somehow win elections by keeping them in existence, is in my mind bad politics. I think that if we have political problems, they relate from some of the things that we've done with the Manitoba Development Corporation and some of the results of the Development Corporation, so that it was no political decision to do that. The decision to do that was based on the fact that we had an MDC, that it had terms of reference, that those terms of reference were being followed, in some cases they took over problems which they may or may not solve and we will have to deal with that, but it's not political considerations in terms of hoping to win approval from the public in the next election that guides that decision. I would hope to win approval from the public in the next election on the basis that we will be able to make successes, not failures. Some of the things that we have, we have as a legacy; some of the things we have, we started ourselves. But whether a legacy or something that we started ourselves, it came as a result of policies throughout the country to have public financing of private control. I say that if the public is going to finance, the public should control. The equity position is not a political position, the equity position is that if you are taking all the risk, the straight business position is to have the equity, because what business have you got to give somebody else the growth if you have put in all the money. What we've done with the Development Corporation is to try to realize that kind of position, and certainly, in the past two years, we have tried to deal, as indicated in the guidelines which those problems that we have, we have tried not to create new problems, and we have tried to turn around some of the corporations which were started. And I think that that has happened with several.

I thank the Member for Brandon West for saying that we have been successful with regard to Churchill Forest Industry. I can't accept his congratulations in that connection, but if we did it then we turned it around; if we made all these bad things, then we must have made that good thing too. We've done a better job with Morden Fine Foods; we've done a better job with Venture Tours. Phoenix Data appears to be getting a little better, although I accept the Member for St. James' position that just because you only lost \$15,000 doesn't mean that it's a success; we can't be lured into thinking it's a success because it's only lost less money. I agree. But that is what we have tried to do. So I don't accept, Mr. Chairman, the suggestion

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(MR. GREEN cont'd) . . . that this minerals policy is leading us into a position of state control and less freedom.

You know, the Honourable Member for Fort Rouge is a political scientist. For several hundred years, the people in England fought against the government and fought against control by the government, and at the same time fought for control of the government; at the same time as they were fighting the battle to obtain protection from the government, they were fighting the battle to obtain democratic control over the government. They've gained democratic control over the government, but there was a lag in terms of still regarding the government as that autocrat over whom you had no control. I believe that the public has now got control over the government, and therefore it should not regard the government as something alien to itself. The honourable member says that the government is alien to the populous; I say that he is talking about a previous period. The thing to do now is to make sure that the government responds to the democratic process, and that the democratic process be used as much as it can, since the people have control over it, to realize the aspirations of the people.

Well, Mr. Speaker, I know that the Member for Riel wants to pick up this debate so I'll let him continue from this point.

MR. CHAIRMAN: The Honourable Member for Riel.

MR. CRAIK: Well, thank you, Mr. Chairman, and thanks to the Mines Minister. It seems that one rises to his feet here by invitation; there's such a fight for the floor it's difficult to get up here.

Well, Mr. Chairman, this debate gets down to the, as usual with the Minister of Mines and Natural Resources, gets down to the basic issues of the different positions taken by the different people representing different political philosophies in this House. He's one reason, the Minister is one reason that we have an appreciation for his role in this House, not as Minister of Mines and Resources alone, Mr. Chairman, but on many other issues because it seems that, as much as we might like to debate many of the other issues with the specific Ministers, very many of the issues that we debate with the government generally end up on his plate, or on his desk, and we end up directing our exchange of battle, as you might say, with him in particular. But I know that this area is one in which he has the full vested responsibility of the government to administer, and he presents his views, and no more clearly have they been presented than this year, and no more clearly, I think, than this morning, because I think a lot was said in one sentence where he said that he was willing to have the private sector active in the mining business, but he was not prepared to say that he wanted them, and I think that's a very very important statement to be made. He says in a one-liner what effectively the government's position is in relationship to the private sector position, primarily with respect to government, and that we appreciate.

When you compare that with the statements being made by the Member for Fort Rouge here I find, quite frankly, a real difficulty in dealing with trying to decide when I listen to the Member for Fort Rouge exactly what his position is on many of these issues. In some respects, it's a feeling of frustration because I'd like to know what he's essentially saying and what he intends to do about it; and on the other hand, it's not entirely that, it's a feeling of some sort of sympathy for a position that I would not like to be in, to stand and deride the government for the position it's taking which threatens a mining industry, but then at the same time yesterday, voted for Bill 16 that, under their rationalization, they could do because it presented a better return to the people of Manitoba. But, Mr. Chairman, at no time did we find out what that return would be. The return to the people comes in three forms - the royalty, the federal tax, corporate tax, and the provincial corporate tax - and at no time have we had a presentation in simple layman's language to this House that said exactly what those three in total amounted to. Now how the heck can you determine whether or not you've got a healthy, viable industry that can sustain itself, without the problem that he's putting forth of other nations of the world, where you are trying to self-induce growth with government injection of capital. How can you arrive at that conclusion if you don't know what the fair return is? It never said in that bill. And the federal counterpart of the Liberal party has brought in a policy in the last year that doesn't allow that royalty as a deduction from his federal tax. And you were still voting for it; you voted for it yesterday. And at no time was there ever a total tax indicated, they're all income taxes, whether you call it a royalty, corporation tax, or provincial corporation tax, they're all an income tax. And they're not even a windfall tax. They're a tax, that tax is a tax

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(MR. CRAIK cont'd) . . . that is applied as soon as there's a return over 18 percent on investment. And now we get this justification. Now I give the credit to the Minister of Mines and Resources, he hasn't tried to play both sides of the thing on that basis. He simply says, pure and simply, our three year averaging is for a three year discrete period and it's not a running average because we want more money - period. Thanks. Like that. Well we know where he stands. I really would like to know where the Liberal Party stands on that thing, because a fair return for the people may in fact be the thing that puts the companies under, which I don't think he knows because there's nobody else in this House that knows.

MR. JORGENSEN: They stand for whatever they believe the people will fall for.

MR. CRAIK: Now we also - I'm not quite finished there. I find it incomprehensible to listen to this, these very eloquent words but not know what in fact they mean. Here's a piece of campaign literature that arrived on my doorstep this morning where the Member for Fort Rouge said, the Member for Fort Rouge who attacked proposed planning legislation saying, "It is a planner's bill, not a people's bill. Designed for the convenience of planners, the role of individuals is minimal." And he voted for it this morning. He voted for that bill, and he's passing this literature around the constituency saying that, you know, this was his main thrust, that's the only quote that's given, a terrible bill. And he voted for it this morning. Now I just don't understand that. I say I find it frustrating to listen to that because I don't know where the person stands. On the other hand I find somewhat an element of sympathy there because I'd hate to be in the position of having to do that. Because when I tell somebody what I want, like I think most people really want to be in the position, when somebody asks you a question you want to answer them and say, yes, or no, and you don't want to have to be second-guessing that the day after tomorrow. And I don't find that position with the member.

He's taken the advantage of talking at some length on these estimates and that's his full right and privilege, but somehow there has to be a degree of digestion to come down and say, "Yes but fine, you know, where do you stand on this when the count comes"? That of course is the important thing, and you shouldn't be attempting to play both sides of it here.

Now I think that this idea - the Minister said this morning the public wants a challenge in the pursuit of freedom - which I think he translates as being that that pursuit of freedom is taken through the government's action in regard to a more active role, public sector role in the mining industry. We disagree. We disagree because, first of all, there is no analogies between this and the government's role in the other areas that it's active in. We have a healthy mining industry. We have an industry, in the mining industry, that presumably through the enactment of Bill 16 yesterday, brings about what the government considers to be a fair return to the people of Manitoba through that bill. That being the case, Mr. Chairman, if it is in fact a fair return, the government is essentially saying that that's really not enough. We want to, through the powers of government, actually get in and operate that industry if in fact that fair return causes that industry, plus some other things we've done, but primarily that fair return legislation causes that industry to not perform up to our expectations, and I think that's essentially what they're saying.

So, you know, when the smoke all clears, you really have a very determined attempt for the government to enact exactly what was said this morning, we are willing to have the industry here but we don't necessarily want them. That's it in a nutshell, and that we understand, that we differ with. Our position is that the people are entitled to a fair return; there very likely will be a fair return. We're not convinced since we don't know exactly what the numbers are what the total federal tax, the provincial tax and the royalty tax adds up to, so therefore it's very difficult to tell yet. We suspect from the numbers we've seen that there is in fact an exceedingly fair return to the people of Manitoba, and our hope is that in fact that that return will be there next year, and we'll certainly want to see next year exactly what the return was.

At this point I think it would be a very important suggestion here to ask the government to present to the Legislature some sort of an accounting over the future years. Now I don't think next year is going to be the year that tells the story, and I don't think the year after's going to be, because of the mineral prices this year. But it looks like 1977 may in fact be a year when the normal cycle comes back on the path and you can see a reasonably good assessment. Well, there's no use I suppose in. . . All I'm asking the Minister to do is set the pattern next year, and hopefully he won't be here in 1977 to do it. But I can tell him that when we're on the other side of the House we'll be looking very closely at presenting an accounting to the House so that

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(MR. CRAIK cont'd) . . . they'll know exactly how the mining industry is performing. --(Interjection)-- The Minister says we won't change the program. I can tell you that we'll certainly be changing the program if it requires it to be changed in order to keep a private sector involved, because the difference is that we want a private sector.

We're not just willing to have it, we in fact want it. We see it as part of the checks and balances, the mosaic that makes up for a healthy, you know, a healthy climate for development in the Province of Manitoba; and a development atmosphere that doesn't necessarily mean that anybody's getting ripped off. What it does is, it's capitalizing just on the true nature of human beings, that they want to have their incentives and their motivations to get out and do their job without thinking they're serving any particular power structure.

Now the Minister can make his speeches but he doesn't realize that he sits in the very preferred position of being a Cabinet Minister. You know, if his philosophy was carried out to its utmost, Manitoba's society would end up with the ultimate of achievement being one of 17 positions in a Cabinet. And that's I think how he sees it, and he somehow sees that that is the, you know, the consummation of democracy, when all power flows down from that, but he thinks of it in terms with a different set of glasses on. You know there's 90 odd percent of people. or 99 and 44/100 percent of the people don't ever aspire to be that Cabinet Minister who has that power, but they may in fact see their role cut out to be the head of that industry, which he was concerned this morning he might have to be if he couldn't get his power through the Cabinet. They might want theirs through another structure. They may not want the field of politics to exercise their feeling of achievement, or feeling of power, or whatever else a human being wants. We don't think that this monolithic pyramid structure to Cabinet is necessarily the desirable goal that all people in Manitoba should follow. The checks and balances of a healthy private sector we want. We just don't want to be able to say, "We'll put up with them," we want them. And we have no hesitation, you know, in being a part of that, and we know that they can perform that healthy position in Manitoba society.

We find it extremely difficult to see this rationalization, and we appreciate the arguments put up by the government. We certainly don't agree with it. The 50 percent money that's going into exploration activity on selected ventures, we don't see any added, you know, incentives that this is going to provide to the industry, to the development of mines; we don't see it providing any better husbandry, which is a responsibility of government.

So, Mr. Chairman, what we're saying is that the way to develop a freedom that is referred to and interpreted by the government as being the freedom of government to do what it wants without the problem of dealing with the private sector industry, is not our interpretation of freedom.

What the people of Manitoba want is to get a little bit excited; they've had just about enough of the great grey society of more and more government intervention. They don't regard that as a greater achievement of freedom. They want just to get a little bit excited about this province. get a little bit excited about it and getting involved themselves. We'd support a proposal where individuals, regardless of who they were, had a chance to invest in the natural resources of Manitoba. Then they can get in and they can invest, perhaps provide them with the incentive give them a break on provincial corporation tax to the individual, or individual tax for the person who invests in a Manitoba resource. But, you know, when that annual meeting comes around, let the person that has the investment go out to that annual meeting and tell that company that he somehow has the . . . they have an obligation to perform for his investment. But that doesn't come about through government ownership. His only means of complaint then is at the ballot box, so you get four years of autocracy at a time. That's essentially what you get. You don't get him involved in the machinery of making this province work, you know, the machinery of participation where you can get in and at least feel like something's getting done, something he can participate in the well-being of the industrial development of the province. that sort of a program where the incentive is there for the individual to get in and invest.

Now I'm not saying that. . . I'm not preaching here that he should simply walk down to the Richardson building and walk in and buy stocks in a Manitoba Mining company, I'm saying that if we're serious about getting Manitobans involved in participation in this very root of development, which is the development of our natural resources, let's develop a program that provides him with the incentive to get in and invest, and when he's invested in it, regardless of how small it is, and you know I can refer back to a time when the former Alberta government

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(MR. CRAIK cont'd) . . . established the Alberta Gas Trunk Line system, where they offered the people of Alberta a very preferred issue of participation in the development of Alberta Gas Trunk Line. That created, realistically or otherwise, created a spirit in Alberta itself that has never been felt anywhere else. Now it has grown to its maturity, and I don't know what's happened since, but at that particular time that's the sort of thing that could be transplanted into the natural resources development of our country. And I don't see any other governments doing it at this time.

But let me say that the people of Manitoba are not going to get excited about government taking over the natural resource industry, period. They're not going to get particularly excited about the continuation of the status quo, the operation of the natural resource industry by the private sector as it has been. They're not going to get very excited about either one. And the government can take a position. The people aren't excited or participating in the development of our natural resources, we have to move in. But if they really wanted to try and get a reading of what the people wanted, they should go and ask the people. I think the people would tell them they want to be able to participate; they want some means and ways of getting involved in this province. And really what they've had is a steady diet over the last few years of just more and more government involvement in the private sector, more and more takeover. Most of them see though the government's involvement as a series of loss . . . they are not going to have any sense of freedom gained by seeing the government take over the mining industry of this province.

So Mr. Chairman, we've allowed the debate to wander significantly here, and perhaps it'll save some time when we get on to the specific items. As raised before, I think we would like to glean from the government whether or not they intend to make the Manitoba Mineral Resources Corporation a viable industry. It would appear that, from both an economic investment point of view and from a manpower investment point of view, that is not their intention. All the suggestions are here that the Department of Mines and Resources believes that it shall do it directly itself. We understand that there is a recruitment program going on to recruit a very large number of geologists, a larger number perhaps than any other mining company in the Province of Manitoba has; we see the advertisements in the paper. We understand that the total objective is to recruit somewhere around 18 geologists into the department structure. That being the case, that's where the money is, that's where the people are, does this mean that the government intends to carry out its programs as a government department, and are they in fact putting the Manitoba Mineral Resources Company into a secondary position by doing that? We're not, by asking this, advocating that the Manitoba Mineral Resources Corporation has a great role to play, we simply make the observation that the government in its intentions to get more active in the mineral development area, does not appear to be wanting to do it through the corporation which it established. If that's the case, we'd like some explanation from the government as to what its intentions are. Is it its intentions to invest their \$4.5 million through the recruitment of a much larger group in their own department, as all the indications are at the present time?

So, Mr. Chairman, that's all I want to ask at this time, and as the items come up we'll direct further questions on this.

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: I'll answer the question briefly, because the Member for Fort Rouge will no doubt want to respond to some of the things that have been said. But with regard to the Manitoba Mineral Resources Limited, that is an exploration company which is totally Crown owned, and which we look to as being the essential vehicle for mineral exploration in the Province of Manitoba. I understand that the geologists that are requested, in large part they are wanted for two programs which are being negotiated with the Federal Government, one under DREE, and one under the Non-Renewable Resources Evaluation program, both of which are 50-50 shared-costs programs with the Government of Canada, which is now also willing to assist us in government participation programs, and those are specific programs, designed at specific exploration activities. The commercial mining program is still . . . the emphasis is on the Mineral Resources Exploration Company, and they certainly, Mr. Speaker, have not shown a propensity for large administration or large costs, all of their money has gone into exploration. We are involved in petroleum exploration, but what we are doing is using that company. We will have geologists, etc., for evaluations and pinpointing areas that we want

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(MR. GREEN cont'd) . . . developed, but those areas will be developed through the Mineral Exploration Company.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I just wanted to pursue a point or two with the Minister, but if I may be allowed I must take some recall to the points raised by the Members from Lakeside and Riel because I must, when they say, let's clarify our positions on the Mining Act and the mine position, I only must recall that the first speech given on Bill 16 was given by the Member from Lakeside, at which time he welcomed the bill, he thought it was a great improvement, wasn't this an amazing step forward, how happy he was to see it, and so when he gets up and derides us for having a confusion of point of view, I just wonder really, Mr. Chairman, whether it's the same Member of Lakeside that we had three weeks ago that we have now. All of a sudden somehow or other something's got to him. When the Member from Riel says, "Now why don't we make sure that we're always consistent with our positions," and I say, "Of course," and I would only welcome the Official Opposition to follow the same line of thought, because I can only recall that in the Denticare discussions they voted on second reading against one position, and in committee, and then come back in this House and vote for it. I suppose Mr. Chairman the right of changing one's mind, or of having, and this is the important point, of having to make decisions on bills ultimately in terms of making criticisms of them, pointing out their omissions and their weaknesses, but ultimately having to agree with them because they're better than what has gone on before, I think is a proper situation in the House. Certainly if the Member from Riel would go beyond reading of simple political literature, which always has certain limitations, and would read speeches, which I think are much more instructive, he'd know that certainly my own position on the Planning Bill was one that I said we agreed in principle, and said that at the outset, but said that there were very severe reservations that we would hope would be corrected in committee, and therefore we were going to vote in second reading to have it go to committee to have them cleared up.

So I can only suggest, Mr. Chairman, that the . . . And finally I would say that if there is any group of people in this House who have been guilty of confusion in their stand, it has to be the Official Opposition, because they say one thing when the Leader of the Opposition is sitting in his chair, and usually something totally opposite when he isn't sitting in his chair. And we can only point out that the latest debate on disclosure of interest when the Leader of the Opposition welcomed it, thought it was basically a good bill, and all his members sort of then proceeded to tear it to pieces. I would simply suggest, that while we may have at times a certain requirement to present different points of position, at least we don't have this extreme schizophrenia between when the Leader is there and when the rest of the members are there. So I simply say that if one is going to start qualifying or questioning one's clarity in positions, I would suggest that a good healthy reading of the journals of this House - would suggest that perhaps therapy or some therapeutic treatment was required of members to my right, to the right of me. Because Mr. Chairman, the point that we're trying to make is a very simple one. And I know that - and it takes perhaps more than a slide rule to figure it out, such as the Member from St. James or Member from Riel often use - and that is that there is a major difference between a taxation policy and ownership or takeover policy. And while a liberal position has been and continues to be - and it goes back in this province at least a couple of years - saying that there is a requirement to revise the taxation laws in the mineral industry and there has never been any deviation from that point of view.

We have also expressed the concern - and by the way Mr. Chairman, I was the first one in this House to express the concern when Bill 16 came in, after the Member from Lakeside welcomed this new approach to mining and thought it was just a great thing - I was the first Member in this House to get up and say that because of those regulations that we just weren't dealing with taxation, but dealing with something very different - and I think the Minister would recognize that. That it wasn't the Member from Riel or from St. James or the Official Opposition who raised that position, it happened to be the Liberal group that said, while we agree with the taxation philosophy, there is something very different going on when you add up that position along with the regulation stance and the mineral resource stance. So our position hasn't deviated one whit from the very first speech in this House. And again I would suggest to the Member of Riel, that while he is trying to chide people for having clear-cut positions, I would suggest that the one clear-cut position has been taken goes right back to the very first

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(MR. AXWORTHY cont'd) . . . speech on this bill. And I would suggest that he go back into that March speech and read it, to find out exactly where we do stand, because our position hasn't deviated one whit. Unlike the Member from Lakeside, who all of a sudden found religion along the way, or found some other means of persuasion, he's changed his tune pretty radically. --(Interjection)-- Well that must be the reason, I think, the Minister of Mines and Resources. --(Interjection)-- Well, I think that we read that speech, that first speech he gave - and he said, boy, thank goodness we've now had a change of heart of the Minister and we now have a much better bill and one that we can endorse and support - and all of a sudden now the switch came on.

So, Mr. Chairman, I would say that there are several members of this House who have at times having to alter their position, or at different stages as a bill proceeds have had to take different positions, mainly because there is a difference between accepting something in principle and being against it in particular - and that's why we have, as I understand it, things called First Readings and Second Readings and Committee stages, so that one can carry out those particular different stands.

And Mr. Chairman, I think though, that while we're in the business of clarifying - and I think it's also important that the Minister clarify once and for all, because when we get into the stance that the government has taken, I think it is very important in relation to the role and operation of the private mining industry in the province, really, what is the stance and posture of the government. Because we've been, it seems to me, vacillating, we go to the one extreme that was raised in the speeches of other members of his side yesterday - the Member from Flin Flon, the Member from Churchill, the Member from Thompson - who seemed to indicate no truck or trade with the industry, that they were sort of the worst abomination on the face of the earth and we should have nothing to do with them. That seemed to be the message that seemed to be coming through pretty clearly. And then the Minister this morning if I recall said, well, I basically kind of agree with that opinion, but it's not feasible to adopt it at this present time. He said that theoretically or idealistically, I think that maybe we should get rid of them and they would have no role to play, but that practically it's not possible.

Well I think the clarification that perhaps we require, Mr. Chairman, before we continue on these estimates is while it may not be practical and possible at this time, does the Minister foresee it becoming a practicality or a possibility? Is it really the underlying intention of the government, as expressed by the three members on the back row, really what is intended? And once the feasibility becomes more clear and more optional, then we are going to be moving to this continual sort of, as I say, process of elimination and replacement, because if that's the case, it creates a very different set of statements. I think the Minister has really, he prides himself on being unequivocal when it comes to policy, and I think he is; but in this case he has not been unequivocal, because it is all right to say at the present moment it's not practical for us to replace them, but what we're saying is that we're now trying to discern that in the total impact and consequence of his mineral policy that he's enunciated - does he in fact foresee the day when it becomes more feasible to eliminate and replace, and is that where we're headed? In fact, is that the direction and course that he is prescribing that we follow? And as soon as the obstacles are related or time wears down the apprehensions or whatever the reasons may be, is it in fact going to be a practical and feasible policy of this government to follow that elimination and replacement policy of the private mining industry? And I think that that does require some very clear equivocation and - pardon me, some very clear statement of where the Minister sees his mining policy going to, where is it leading us; and is it really going to result fundamentally at some point when the obstacles are cleared out of the way in terms of a, basically, a publicly owned industry.

Mr. Chairman, I would only like to just comment in terms of that position, that the British Labour Party - which I suppose there is some affinity with the members of the other side to their position - has gone through an interesting series of revisions in its own statements on the British North Sea oil production policy and when you first originally got people like Mr. Bend and so on stating the position of the British Labour Government in terms of the exploration and development of the North Sea. It was basically a public ownership operation, and over a period of months now they have been changing their policy towards the very last announcement made about a month and a half ago - was a major incentive policy to the private oil companies to develop the North Sea oil fields. Now that was combined with a windfall royalty tax. The

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(MR. AXWORTHY cont'd) two were held in combination, but there was a major tax incentive policy. If I recall, the Minister at that time, I think both the Prime Minister and Mr. Bend in talking about that bill - and I'm doing this from memory because I don't have the report in front of me - did indicate that in order to achieve sort of the maximum utilization of those industries, they had to provide that kind of incentive. And so while they were in a sense going back from the track that the Minister seems to be following, we would like to know really what track are we on. Is the Minister prepared to say that, okay, we have the status quo now and we're eventually going to try and squeeze them out? Or, are we saying we have a status quo now and from this point on we will try to work out in co-operation with the mining companies, some co-operative ventures in exploration and development, and if there are new finds discovered, that there will be some option incentive given for their pursuit and their role in this? That has not been, I think, clearly spelled out as to what do we do from here, and what kind of options does he see as following.

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: Yes, well, Mr. Speaker, I think that that's a perfectly legitimate question. I make enough verbal slips of my own not to take great advantage of the honourable member - I can't help but say that from listening to him his description of 'clear equivocation' is something which we have received from time to time. I say that facetiously, I sort of can't resist. But nevertheless I'll try and deal with the question.

We have indicated that the policy of the government of Manitoba is to proceed on the comprehensive program that we have now. I have indicated from time to time that, ideally, if one were starting from Square One, what Eric Kierans said in the Kierans Report was a perfectly legitimate method of proceeding. I've also said that it's not practical in my view for two reasons; one, that there has to be a fairness of treatment of any citizen or corporate citizen in the Province of Manitoba and we feel that the people who've made an investment in the Province of Manitoba are entitled to reasonable expectations on the basis of them having taken that initiative and made that investment.

We also say that we welcome co-operation with the private industry because much of the expertise, much of the aggressiveness, much of the history in this industry has been based on their participation, and therefore we welcome a 50 percent participation. I said last year I would like 100 percent, but you know, liking something and being aware as to what you are able to achieve are two different things. And when the honourable member says, what will happen in the future? - I would expect that the policy that we have now is available and will continue in the foreseeable future. I will never be able to guarantee that if I didn't see a better way of doing it ten years from now - and I hope I am here for the purpose of doing it - that I would not change that situation. But as I see it, what we have laid down now is a comprehensive policy which will stabilize the role of private and public participation for the foreseeable future. We have guaranteed - guaranteed is a strong word - we have tried to take account of existing companies and their realizable expectations. And by the way, they have got far more control than we have. I tell the honourable member that under the leases that Inco now has, under the leases that Sherritt now have, their viability as having the choice future available to them is still in their hands, and nothing that we have done changes that. Because they can get an exploration lease, they can get a development lease, they will continue, they will pay what we have tried to make a fair royalty tax, and they will continue. In the future, if they're going to new areas - and I tell you the new ones are not the best ones, the new ones have got to be by definition the less likely ones - we will be involved to the extent of 50 percent. We are taking this involvement at the highest risk level. Public involvement is at the highest risk level, because the good possibilities are under lease to the major companies and to other companies, the ones that are there.

What will happen - and this is a concept that Professor Wilson has indicated to me - is that as resources grow scarcer, more scarce, the price goes up and when that makes new resources available for discovery, it makes them available expeditiously, is that a right word? In other words, the amount increases because there may be lots of 0.5 percent copper as against 2 percent copper and when 0.5 percent copper becomes viable, then that is available in much more quantities than the 3 percent copper was available - so expeditiously is the right word, I hope it's the right word. When that occurs, and if it occurs in the foreseeable future, the Crown will have a much better opportunity to become meaningfully involved in sharing the

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(MR. GREEN cont'd) development and production of those resources. The honourable member says to me, if I know of a location where there is 3 percent copper today - like definite, unstaked, unclaimed - will I give 50 percent of it to the private mining industry? No. I will do what they do, I will take as much as I can for myself. I won't go 50 percent - go 100 percent. I hope that our mineral exploration company would turn it up and go after it. But I can't think any other way. I cannot think any other way. I think that what we have is a program which for the foreseeable future will involve us both, and I am willing to have that involvement. I'm even prepared to say that that involvement would not be undesirable - and the press gets very annoyed when I talk in these negatives, but that's the only way I can express it. But I cannot say that I want it to the extent that we depend on it for the existence of the industry in the Province of Manitoba. So, the Honourable Member wants to know what I foresee in the future, I've told it to him. If he thinks that that's an equivocation because I haven't said that at some future date some government may decide that things are so good that they want to involve themselves 100 percent of every program, I cannot say that; but I believe that we have spent time to develop a program which the industry can have some confidence in, which they can co-operate with us - co-operate with us in, and which will operate to the mutual satisfaction of both the public and the industry - and I believe that that's as far as I can go.

MR. CHAIRMAN: Resolution 78(b)(1) - passed; (2) - passed; 78(c)(1) - Manitoba Water Commission - the Honourable Member for St. James.

MR. GEORGE MINAKER (St. James): Mr. Chairman, I believe that the Lake Winnipeg Flood Protection Policy comes under this, Mr. Chairman, if I'm wrong, then I'll wait.

MR. GREEN: I don't believe so. I'll tell the honourable member what the Water Commission has done in that connection, and if he wants to pick it up from there he can go ahead. The Water Commission did a review of all flood protection procedures in the Province of Manitoba last year, which would have included, I expect, Lake Winnipeg. I can't remember the details of the report. But flood compensation really comes under a different item of the estimates, if the honourable member will look to one of the last items on the estimates. If he looks at his first page, he will see Flood Control and Emergency Expenditures, \$3, 318, 900. And Water Management Programs also involved flood protection. I tell him that and then he could take it from there - if he wants to involve the Water Commission there, it's okay with me.

MR. CHAIRMAN: 78(c)(1) - the Honourable Member for Fort Rouge.

MR. AXWORTHY: Well, Mr. Chairman, I just want to get a clarification from the statement made by the Minister - where are the studies or reports that deal with the Lake Winnipeg water levels? Are they produced by the Water Commission or regulated by them or held by them, or where does he receive these?

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: No, those are not in the Water Commission. Those are Lake Winnipeg and Churchill and Nelson River study, which is the next item.

MR. AXWORTHY: Mr. Chairman, before we leave the bill, I would like the Minister, if he would, to first indicate perhaps more detail of the activity of the Manitoba Water Commission - what it in fact has been doing, the nature, the number of its staff and the kinds of relationship that it has in terms of - does it engage in its activity according to policy decisions made by the Minister or is it sort of a self-operating autonomous body which chooses its own priorities?

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: Mr. Chairman, it is not an autonomous board in terms of choosing its own activities. It is sent terms of reference from the government to the Water Commission to deal with. From that point on, it is an independent body. In other words, it then conducts its investigations, conducts hearings and makes recommendations, and the recommendations come forward to the government. I have to at this point really pay a great deal of credit to Dr. Hugh Saunderson, who has been the Chairman of the Water Commission for approximately two years. Dr. Saunderson took the commission under circumstances which would have made many people say that they don't want to get involved in that type of controversy. There was at that time a - I'm trying to be as fair as I can - there was a real urgency on the part of the Water Commission which resulted in them assuming a really high political profile level with regard to Lake Winnipeg Regulation and the Churchill River Diversion, which was clearly something that we did not feel was right and which we wanted to avoid. Dr. Saunderson

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(MR. GREEN cont'd) undertook the Chairmanship of the Commission at that time. On the Commission are Mr. Weber, Mr. Bateman, Mr. Adam, one MLA is on the Commission, and a gentleman from Brandon, Mr. Duffy. They did several very good reports. They did a report on Dauphin Regulation. They did a very good job on the flood compensation and evaluation program, they went from community to community, in which case they dealt with Carman. They now as part of their terms of reference the question of soil bank erosion. They did a terms of reference on flowing wells. They have been kept busy in this respect, Mr. Chairman, and I believe that we are all very happy with the activity and terms of reference that the Water Commission has dealt with. So they have a research staff, a small research staff, and they have secretarial staff, and they make extensive use of the staff of our department.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I'd like to ask the Minister whether the Minister has contemplated, or considered, having the Manitoba Water Commission undertake certain studies, investigations, into possible effects that may accrue in terms of the impact upon the Souris River Basin, Red River, Lake Winnipeg, as a result of the potential problems raised by Garrison, and whether in fact there has been any discussion with them whether they are able to undertake some investigations of those problems beyond the studies being done by the joint Federal-Provincial Committee that I gather has its terms of reference solely in terms of the impact study produced by the American Environmental Protection Agency. Has the Manitoba Water Commission in the next year - or will it begin to look at the effects on that water system of the Garrison if the present American plans continue? I think, Mr. Chairman, the reason I raise it, that at this time with some - I believe there is some urgency, because it goes back to the statement made by the head of the Bureau of Reclamation in the United States testifying before the Appropriations Committee, as well as in a memorandum to the Secretary of the Interior, that in fact the construction on the Velva Canal could begin next year in North Dakota, and as a result the schedule of construction would be greatly shortened and might result in possible impact in a very short period of time in this province, and therefore I would wonder if the Manitoba Water Commission would be able to begin assessing those problems?

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: The Manitoba Water Commission has not been involved in the studies relative to the Garrison Diversion. I should indicate to the honourable member that the information that we have with regard to the Garrison Diversion as a result of the American studies, as well as our own assessments done in conjunction with Environment Canada and ourselves, give us very very strong evidence relative to the effects of the Garrison Diversion on the Souris River. The evidence was strong enough that the American Government said that no construction will commence on those parts of the program that will affect Manitoba water. You know, I've had occasion to feel somewhat concerned that the Manitoba position is being misrepresented vis-a-vis that particular program. We will, in conjunction with the Federal Government, do whatever studies are necessary, or additional studies that are necessary, to deal with defending our position on the Garrison.

The latest commitment that we had obtained in North Dakota was to the effect that they can complete a Garrison Diversion Program in the United States without tying into either the Red or the Souris. Now they said, and they admitted to us, it will not be a good economic program, as we had envisaged, but it is possible to continue with the program without tying into the Souris or the Red. And a decision to tie into the Red has to be made by 1977; the decision to tie into the Souris has to be made by 1980, but no earlier than those two dates. In other words, that they will not have to decide to go into the Red until 1977 and will not have to go into the Souris until 1980. The note that the honourable member referred to that was sent to me by the Prairie Defense League talked about requesting appropriation for the Velva canal. Now I'm not sure - you talked about testimony before a committee that the canal would go ahead. If the canal would go ahead, then we would look, we would again look to the United States to indicate to us that however far they intended to proceed with the Velva Canal, that they don't have to proceed in such a way as to tie into the Souris or the Red, and that that decision does not have to be made until 1977 or 1980 as they undertook to us. That letter has been since referred to the Minister of External Affairs.

Mr. Chairman, it has not been the habit of a government that is negotiating with other countries to have their negotiating position continually picked at by a province. I am able to

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(MR. GREEN cont'd) say, I don't think Mr. MacEachen would be annoyed with me if I said that we discuss things - we sometimes disagree, we sometimes agree - but that ultimately the position that is formulated relative to the United States is formulated by the Minister of External Affairs, Mr. MacEachen. Now, does the honourable member see an advantage to me saying at this point, even if I agreed with it and I'm not suggesting that I do, that the Minister of External Affairs is not handling this thing properly. Will that help the Canadian position, vis-a-vis the United States, because my opinion is that it would not help. My opinion. I did do it on one occasion when the United States sent their note and said that there would be no construction that will pollute Canadian waters to the injury of persons or property, the Hon. Mitchell Sharp was in Winnipeg - for some reason, some type of function in Winnipeg - and they got him on Winnipeg television, and I saw him and he said, "That ends the matter. That is entirely satisfactory. The Americans will keep their commitments, we have absolutely no hesitation about accepting their word, and there is no problem." Now that was what the Minister of External Affairs said, and I do not think that he will deny having said that. The media then got in touch with me and said well what do you say about this? I said, "Well I cannot be as sanguine about this matter as the Minister of External Affairs because I am a lawyer, and I know that there will be argument about what the word pollution means, there will be argument about what the word injury means, and there will be argument about what the words property and health mean, or persons" - I can't remember the exact words. So we said that that was not our feeling and although it was still in the hands of the Minister of External Affairs, we wanted to go to North Dakota and ask them, "Okay, you say you will not pollute Manitoba waters, to the injury of property or persons, show us how. Everything we know about your program indicates that it will. You show us how you intend to do this." And since then that has also become the Canadian position. But the member for Fort Rouge has, for reasons best known to himself, concentrated on hammering the Provincial Government of Manitoba when the negotiating position in this case is being pursued by the Government of Canada. And I am a Canadian, and I accept that. And I make my input to the Minister of External Affairs, and I expect that the honourable member will make his input, but if he expects me to now be attacking the Hon. Allan MacEachen while he is negotiating with the Government of the United States, I am not made that way. There are people who are made that way, but I'm not made that way. I don't think that will help the Canadian position.

Now, our position is that we have a commitment, that we intend to find out how the Americans intend to meet that commitment, and if they do not satisfy us, we intend to take that commitment to the International Joint Commission and have them recommend as to how that commitment should be fulfilled. If the United States Government, after getting the recommendation of the International Joint Commission proceeds to go whichever way it wants to, then the only thing that we can do is deal with it as matters are dealt with in international law. The honourable member says we have a weapon of a court action. I could not get a court to give us a decision on Saskatchewan and Ontario with regard to pollution of Manitoba waters, even though that is a Canadian court. And we're still trying. If we have a decision in a Canadian court, then I can tell the honourable member that the United States will ignore it. I'm not prepared to go through a United States Court and say that the decision is in your hands. My position in this connection is exactly the position that is being pursued by the Minister of External Affairs. Now, should I be saying that Manitoba's dissatisfied with the Minister of External Affairs, with the Canadian position, we want you to sue them, or we want you to do other things? I do not think that that will help our government, our Canadian Government in dealing with this question. You know, we have had all kinds of help. We now have the help of Dan McKenzie who is an MP for South Centre, and he is pursuing the same arguments in the Federal House as are being pursued in this House, and all of these things are for the good. The Americans should not get the impression that there aren't opposition people banging at both their Provincial and Federal Governments to make sure that we take a strong position.

That's fine. None of that hurts, but some of the help has been rather unusual. I mean, Dean Whiteway, announced that he has an ally with respect to the Garrison Diversion. He has enlisted the help of Senator Young who has told him that they will not pollute Manitoba waters. Senator Young, his entire political career has been based on obtaining the Garrison Diversion, so Dean Whiteway says that Senator Young's word that they will not pollute Manitoba waters is better than the United States State Department. Now what kind of help is that? I mean with

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(MR. GREEN cont'd) friends like Senator Young on the Garrison Diversion, we don't need any opponents, because Senator Young, if he changes his position on the Garrison Diversion, there can be no Garrison Diversion. And if Dean Whiteway will succeed in getting Senator Young to back off the Garrison Diversion, I will say, "Hats off to Dean Whiteway." But all that Senator Young told Dean Whiteway, as reported by Dean Whiteway, was that "we will not pollute Manitoba waters." Well we had that before we had Dean Whiteway.

So I rather get exasperated - but that's politics - that some people in Manitoba feel that they should concentrate their attack on the Provincial New Democratic Party Government as if they are the sole people involved in this plan or even the principal people involved in our problem, and pretend that the Liberal Government in Ottawa is not doing anything. Now, I will not criticize Mr. MacEachen's position for two reasons: One, I think that with slight modifications one way or the other, it is a sound position. Secondly, I do not think that it will be of assistance to Canada for the United States to be able to say to Mr. MacEachen, "Well, you people want to go to court, go to court; we don't want to deal with you on a diplomatic level. Or that you don't have support for the position that you are pursuing here."

So the honourable member says, is the Water Commission involved in studies? My information is that the Canadian Government and the Government of Manitoba feel sufficiently strong about the evidence that they have to present, both compiled in the United States and Canada, that we can make a case before the International Joint Commission.

One more thing. The International Joint Commission is not merely a tribunal. It is an investigatory body. And the International Joint Commission can commission the Government of Canada, the Government of the United States to lend its expertise to giving more reports, and if the International Joint Commission is satisfied that the Americans are holding back information which was the implication of the note that was made public by the Prairie Defense League, that can only improve our position before the International Joint Commission.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I thank the Minister for his statement. I think it's one of the more detailed statements that we've yet to receive on the position on Garrison, but I think it still leaves a number of questions open, and several still unanswered. If the Minister can perhaps tolerate somewhat more exasperation this afternoon, we can perhaps raise them with him.

I think the first question is directly on the issue of studies themselves. I agree with the Minister that the International Joint Commission has an investigatory capacity. However, the International Joint Commission is made up of three Americans and three Canadians, and it is very much, in many ways, a political body, using political not in a partisan sense of way, but one in which there is a great deal of compromise, and certainly the history of the activity of the International Joint Commission on the Columbia River Treaty discussions that it didn't really act as much as a tribunal really as a bargaining area again between two governments, and that the International Joint Commission itself became an arena for a high degree of negotiation and bartering, and in some cases conflict, between the two levels of government in the Joint Commission itself. That lesson itself should not be lost upon us when we contemplate the potential, or possibility, of having to take an issue before the Joint Commission, because in fact it may be that those compromises may not go our way. I am simply suggesting that we should insure that we have the full package on our side when it comes to presenting the case, because the direction as to which investigations will take place is subject to that kind of compromise that may occur. I'm not suggesting that it would necessarily be biased but I am saying that it may not be the complete and total one, because I think that there is sufficient concern being raised about the degree of validity and openness with which certain jurisdictions of the American Government have been treating the information that they have been supplying.

We go right back to the Environmental Protection statement that was issued by the Bureau of Reclamation, which as I recall reading it, Mr. Chairman, only had about eight pages which referred to the actual impact upon Canada. In fact it limited those eight pages almost to a very narrow range of impact in terms of the actual change in water quality, and didn't deal with things like fish life and fowl life, and changes in water temperature, and economic impacts, and so forth. In other words, it was a highly limited study in terms of its impact. It didn't look at the full range of consequences, and weather change - there's a whole number of them. It also didn't deal with the changes that might be related to the combination of changes on the

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(MR. AXWORTHY cont'd) Souris River basin itself, because I believe that we also have a companion study going on in terms of the potential economic redevelopment of the Souris River basin. I believe there's a joint study going on between Federal and Provincial governments on that and the EPA statement from the Americans didn't in any way deal with that. So if the terms of reference set before the International Joint Commission which I've seen, set forward by the Americans, again deals only with that very narrow range of impacts that they are defining as being water quality impacts and doesn't include many of the other impacts which may be far more dangerous and far more disastrous to the actual use of the Souris, Red, Lake Winnipeg system - and I think, to use the one example, the problem of eutrophication. If there is a change in water temperature, that could possibly or potentially change the growth of plant life in Lake Winnipeg and the eutrophication process may in fact lead to the killing of that lake. Now that is a - I don't know to what degree that was a cure, but that certainly is a possibility if the water temperature itself changes. --(Interjection)-- Or whichever. Yes, all those other serious things that the Member for Lakeside is such a - I know he's an expert on the gizzard shad. But the other kinds of problems that would be raised - that's the reason we're raising the issue of studies - to what degree are we confining ourselves to those terms of reference set forward by the Americans in terms of their environmental impact study and the terms of reference that they are now setting as to the agreed upon terms for the International Joint Commission? And the rationale or reason for raising the possibility of future studies or more extensive studies is to say that if we have to appear before that commission, then we should perhaps have the full impact to be looked at or examined.

The second question, Mr. Chairman, raised by the Minister in terms of the approach by the government, deals with the negotiations that they've been carrying on through the Canadian Government into the United States and saying that we've been dealing directly through Mr. MacEachen's department. And yet, Mr. Chairman, if you see the statement made by Jeanne Sauvé last weekend, she indicated in her speech to the United States that the issue had now reached the point of crisis, I think the word was; that what had to happen was a very strong and effective message being introduced into the political system of the United States; that that was the only way to hold the project up, that the other kinds of techniques were in danger of being really almost too flimsy in their approach - and suggested that what has had to have happen, is to make the case to the American Congress, to the State Legislatures, to other people making decisions in this respect. Because up to this time, they have not had a very clear understanding of the Canadian position, and that perhaps one of the failures that we have made in the joint position of Federal and Provincial Governments is by confining it purely to the diplomatic process - that they have not got the message through to the political people who are really making the decisions, and that one of the weaknesses in our case has not been bringing that message forward. The mere fact, I suppose, that the Premier of the province was awarded a letter of commendation by the State Legislature for his stand on not taking legal action, showed that perhaps we weren't getting the urgency of our case across.

If there has been any question about the position of the Provincial Government, it's not because of their diplomatic activity, I think everyone has endorsed and supported the kind of diplomatic initiatives that have been taken - that we're simply saying that perhaps they are not enough, and that because the Garrison could have such severe consequences upon this province, that one shouldn't necessarily restrict themselves solely and primarily to that diplomatic process. If in fact you can achieve it by that, then well and good. But it may be that - you know, the diplomatic procedures have been broken down many times before in terms of our dealings with the United States over water problems, and we only have to again look at the case of what happened to the Mexicans only a few years ago in the Colorado River dispute to realize that diplomacy has its distinct limitations. And the Minister raises, I think, a very good point saying, "What else can we do?" Well, that is a good question indeed, because it does mean that if the diplomatic procedure does not result in 100 percent protection for this province, then it means that we will be guilty in this Chamber as well as in the House of Commons in Ottawa of not having developed the kinds of options and alternative courses of action that should have been developed when it was still time to do so.

And that brings me, Mr. Chairman, to the question of legal problems, or the use of the courts. And there may be a position of dispute between the Minister and I, but in fact, Mr. Chairman, we have never had an opportunity to discuss that dispute, because when the question

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(MR. AXWORTHY cont'd) was raised by myself to the Minister - it must be a good two months ago - that whether he would even consider looking at the possibility of using the courts, he refused. He just simply said, "It is out of the question." And it would seem to me that in a situation where you should keep your full arsenal of weapons at the ready, then to deny even looking at the potential or possibility of using a very effective one . . . because, Mr. Chairman, there are numerous examples in international law where there has been the use of the domestic courts of one jurisdiction against another to provide injunctions or restraining orders on certain actions of the government on the other side. And I would suggest that there has been a very clear case made - I think it's by the fairly noted international lawyer in this country, C. B. Bourne from the University of British Columbia, that in fact the potential of using the Federal Circuit Court in Washington to gain an injunction is a very viable possibility that has been used in circumstances before by other nations attempting to restrain American Government action that would affect their own countries and asked them to live up to boundary disputes. Now I'm not pretending again to fully know that, but it would seem to me of course of some wisdom to at least have examined that possibility in company with the Federal Government - to say, if need be, if our diplomatic initiatives become frustrated or we seem to not be getting satisfaction; that it would seem to me to have that kind of option at the ready and to know and to have the capacity or the ability to go into the American Circuit Court where they can take an injunction. In particular, Mr. Chairman, if you look at American environmental law, there's even more of a possibility - because American environmental law reads very carefully, that unless an environmental protection impact study has followed the proper procedures then the public works undertaken by an American agency can be halted, and there have been several cases of that. And it would seem to me that if the environmental impact statement had, as it did, only very brief and limited reference to the Canadian impact, that might be a good point of law to take it on. It would seem to me that the Attorney-General's office or the Justice Department in Ottawa should at least be examining the potential use of that course of action. And I don't necessarily say that we rush into the courts tomorrow, but I think we have a responsibility to be preparing and having some good international lawyers looking at it as an alternative course to follow, just to make sure, because I don't think we can afford to dismiss out of hand any of the potential plans of action that might be available to us.

And so, Mr. Chairman, all I'm suggesting is that much of it goes back to the core of whether in fact the government is prepared, not just to - and again, I don't want to sound like we're carping on the course of action followed so far diplomatically, because I think it's been the right course and the proper course. And I believe also that the reference to the International Joint Commission is a right and proper course. We're simply saying that it may not be enough, and if it isn't enough, then we had better be pretty damn prepared to do something else. And even to make our case in front of the IJC and to make our case, if need be, in terms of carrying the argument to the American political system, then we need probably better informed data and information about the possible effects.

And I would use the case, Mr. Chairman - the Minister raised a question, and it may be useful to see the documents - but it is my understanding of the reading of American newspapers that when the Bureau of Reclamation came before the American Congress for its appropriations, that in fact there was no presentation of the Canadian case being made by anybody, there was no one demonstrating what the impact might be in Canada - that they relied solely upon the testimony of Mr. Stamm of the Bureau of Reclamation and he wasn't perhaps as forthcoming as he might otherwise have been. And it would seem to me, again, that through the Embassy or whatever course we should be making sure that American legislators know full well what our position is. And again I agree with the Minister, I think he's made it very clear that we don't want anything to happen, he hasn't been caving in in that respect. But where I do fault both his position and the Canadian Government - even with their allies, even with Mr. Whiteway and Mr. McKenzie helping them - that they haven't sort of secured their full options, or at least built up their ammunition in case it had to be needed, because when we get to the case when we have to shoot the bullets, they may not be there to use. We should be sort of stockpiling at this point.

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: Well, I'll try to be brief, Mr. Chairman. The Honourable Member made a statement in the House yesterday which I seized upon because I intended to recite it back to

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(MR. GREEN cont'd) him. He said, when negotiating with any party you can never ask for more than you would be prepared to do if you were on the other side. That was his statement. Now he is talking about the full impact of the Garrison Diversion. The United States relative to the Garrison Diversion will I am satisfied only resolve themselves on one commitment, that they will not pollute Manitoba waters to the injury of persons or property.

And when we talk about the wildlife that will be lost or the fauna that will not grow and say that that is our case against the Garrison Diversion, you know - and there are many people who are talking about those things - the Canadian Government will not put itself in that position because, regardless of whether the honourable member knows it or not, there are things that Canadians do that affect American waters. They'll only put that position which they are prepared to accept for themselves. And the honourable member will or will not agree with my assessment of this question, that there are many people in Canada environmentally conscious, sincere people, who want to stop the Garrison Diversion whether it affects the Red or the Souris or it doesn't. They are fully in tune with the Save the North Dakota Committee - and I'm not running this down - and they would like to stop the Garrison Diversion - period. The Canadian position is that we can only stop the Garrison Diversion if it affects Manitoba waters, and if they go ahead with a program that doesn't affect Manitoba waters or that it doesn't even connect with the Souris or the Red, we have no business talking about the Garrison Diversion.

And Madame Sauvé or not, it is not helpful to the Canadian position for Canadian politicians to get into the United States politics as to whether the Garrison Diversion is built, whether or not it affects Canadian waters. And you know she came - as I read it - came dangerously close to that, because she talked about the number of acres that are being irrigated in the United States and the number of acres that are being taken away. I wonder whether that is a concern which you would ask me to take, because I'm not taking that concern. And the honourable member may link it to what we are doing or he may not link it to what we are doing, it would be wrong - regardless of whether the member agrees with the Churchill River Diversion or not, it would be wrong for United States politicians to come in and join the Northern Flood Committee in opposing the Churchill River Diversion. It would be wrong, it would be dead wrong. And we would complain terribly if the Government of the United States did that, North Dakota did that, because he would say that that is subject to the political control of the people of the Province of Manitoba, and we do not think that you as a foreign politician should be involved in that dispute regardless of what you think. So we have tried to limit our objection to this diversion on the basis of what it will do in Canada and in violation of the Boundary Waters Treaty. We have not extended our position - we will be able to try to discuss the gizzard shad as a form of pollution, we will try to discuss the eutrophication as a form of pollution, but we cannot go into other areas than those that are expressed by the Boundary Waters Treaty. They may feel that the fact that the farmers in the Pembina Valley are draining swamps, are reducing the duck population in North Dakota . . . what would we say if they came in and said that the farmers cannot drain the swamps in the Pembina Valley or other places? Now there are people who are interested in that, and I'm not going to fault them - I mean, they will fault me to the sky because I am not going into the United States and not linking up with the "Save North Dakota" which happens to be able - and I'm not unmindful of it - to use the Canadian position as one of their arguments - and wonder why we are not going down and stopping the diversion even if it doesn't affect Manitoba waters. I can't be involved in that. If Madame Sauvé wishes to be involved in that, then she can. I do not think that that will help Mr. MacEachen and I do not know what his involvement is with Madame Sauvé's statement. But to say that it's going to affect our waters and we want to stop it, yes. The Canadian Government, on the other hand, will know that there are irrigation programs, some of which will put water into streams which may flow into the United States, that they are going to have to be dealt with.

What will the honourable member say to this question - I want to try to get on a sober plane - what if desalination in the Souris River is .0007, and after the Garrison Diversion it will be .0008? What do you think that the International Joint Commission will do? --(Interjection)-- Well, the Honourable Member for Brandon West says "What are our standards?" We will try to maintain the highest possible standard. But I suggest to you that if the difference is what I have said, then we will not have a very strong case before the International Joint Commission. Fortunately - well, fortunately - that's even a hard word to use - regrettably - the studies which we have show far more than that and therefore we have to resist this program,

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(MR. GREEN cont'd) and we are resisting this program. But we have not joined hands in league with a group of people in North Dakota who are in politics in the State of North Dakota. I have enough trouble fighting with the Member for Fort Rouge or the Member for Riel, I'm not going to go out and fight politics in the State of North Dakota - my limitations in this respect are to draw the line there. I will fight that program as it affects Canada but not as it affects the United States.

MR. CHAIRMAN: The Honourable Member for Riel.

MR. CRAIK: Mr. Chairman, on this particular issue here, I think there are two or three items that we want to sort of isolate. We as the official opposition had two or three days down looking at the project last summer - not that that in itself is the answer to it, but we got a pretty good perspective of what was being attempted to be done. Also, we had a good opportunity to cross-examine the evidence that was provided to a group of - laymen which we are - from the technical people that were at that meeting, both federal and state people. So we got some idea, you know, of the technical aspects of the project and naturally came back with some of our own questions on it.

Now in terms of our criticism, if you like, of the Provincial Government here in Manitoba, it is that we still are of the uneasy feeling that the Provincial Government has not demonstrated that it has put in the research capacity to determine to its own or the people of Manitoba's satisfaction exactly what the environmental impact could be. The conclusions that have been reached by the Manitoba Government have to a large extent been based on the evidence provided from the American research efforts. We don't think that - the Member for Brandon West asked from his seat here, what are our standards? And I have to tell you that we were asked that by the American people when we were down looking at the projects - what are your standards for water control maintenance? And we had to answer them that well, we're not at all sure that we have a specific standard where we can reply to you. The difference is, that to a large extent they're far enough ahead that they do have water standards that they use, mainly because they've been using the ground water and surface water more extensively over the years than we have or anticipated using in the southern part of Manitoba. So we had to come away saying, well, although we don't represent government, we're not aware that there is a standard. So if we have a criticism of the Provincial Government, it is that we have this uneasy feeling that there has not been a research input into the environmental impact and the determination of what Manitoba considers an acceptable standard for the Souris River and probably for the other rivers that are affected - the Assiniboine, the Red and the entrance to Lake Winnipeg - that we don't know.

Now to get back on to the other topic. The other topic is that our understanding - and from what we can glean from the different sources - is that the IJC is probably the best place that the issue can be in terms of the interests of Manitoba. Now the Minister might want to pass comment on that. We have been somewhat hesitant to criticize the government, which we would do very readily if we thought they were agreeing to something or headed in a direction which was not in the best interests of Manitoba. Our understanding is that the referral of this issue to the IJC is probably the best place in terms of serving the interests of Manitoba. The idea of taking it to court, we've talked about. We've talked about it publicly, and of course that's always something that can be done, but in terms of referring it to the IJC, it would seem that the issue of Garrison Diversion's impact on the Souris, while it's extremely important to Manitobans, is not a really large issue compared to some of the other things that the IJC has had to encounter in the past nor is likely to encounter in the future. And if they were to rule - now to some extent, we're trying to see it from their point of view - if they were to rule against Manitoba and against Canada in this sort of an issue - which is not a large issue on the international scale, is not as large an issue as some of those that can still potentially come on the scene - and were to set a precedent in that ruling which was adverse to Manitoba's interests, they're setting a very dangerous precedent to some of the other very major waterways that might have to be dealt with in the future, and to a certain degree there is a security in that knowledge. That with the information, even though we feel the Manitoba research information is somewhat lacking, at least the issue is on the right doorstep at the moment, which is under the consideration of the IJC. Now the Minister I think, might more validly comment on that because I think the other issues have been talked about at different times.

The only possible concern here is, that once it's gone to the IJC, do you remove to a

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(MR. CRAIK cont'd) certain extent a bargaining position in terms of perhaps gaining some benefits; supposing all breaks down, in terms of IJC is a yes-no - yes you can, no you can't type of a decision which simply says, steer clear of it completely or you can go ahead, because precedence tells us that this is not an infringement on the rights as we see them in the joint agreement. Are we ruling out the possible bargaining position that's backed up with research evidence, that we know that there are other options where we could in fact under the proper development of that scheme gain benefits? Now I'm not going to speculate too far on what those benefits might be, but I think that some of the environmental issues that were raised initially perhaps have been taken off the priority list to a certain extent. Now once that is done, one has to look at the possibility that there may in fact be a benefit if the scheme were controlled to the extent that the quality of the water in the Souris system could be improved over what it is at the present time. Now is it impossible, is that bargaining position lost as soon as it goes to the IJC? - that I would think would be one of the liabilities that are associated with that type of a referral once it happens. And I don't think, as strongly as we all feel about the Garrison project, our priority to the government as the Official Opposition is, for goodness sakes, get the research work done that puts you in the position of knowing what your facts are without depending on somebody else's facts before you get there.

Secondly, once you have that, if there is still a possibility open, we're not adverse to looking at the possibility, that after you've got that, that there could in fact be a benefit negotiated to Manitoba if that scheme is properly negotiated. And I don't think just looking at it that that's impossible. So we're not trying to take simply a pure and straight attitude of no go, wipe it out completely, unless it means that there is no negotiating position whatsoever. But in the meantime, to repeat again for the third time, we have that very strong feeling that the proper amount of research work has not gone in to determine our own information about our own system.

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: Well, Mr. Chairman, I'll try to answer the questions very quickly. I believe that we have a sufficient case, documented by our own studies and by the studies in the United States, to indicate that there will be a violation of the Boundary Waters Treaty, and we are taking that case to the IJC which can then supplement that case by studies that we have to do - and these are done in conjunction with Environment Canada and ourselves and the investigatory authority of the IJC to buttress these arguments one way or the other. So I believe that we have sufficient information to make our position, and that information is available. Don't forget it wasn't the United States who first said that there would be a problem, we said that there would be a problem - and we did it on fairly . . . you know, some of it is not too difficult to find out, it is measuring the flows and the current water and the nutrients that will go into it, etc. - that's why we asked Canada to deal with the question in the first place and asked them to prevent this problem.

MR. AXWORTHY; . . . just to clarify.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, on the reference to the IJC, I'd like the Minister to clarify two points. First, has the actual reference gone to the International Joint Commission? It's my understanding it has not yet gone, and it would not go unless there is an agreement between the two countries on the terms of reference - and at this point, the American terms of reference are quite different from those which are being looked at from the Canadian side between the Federal-Provincial governments. Now perhaps he could clarify that procedure.

The second one, which I think is just as important, is that in this case the matter is not being referred to the IJC for adjudication but simply for recommendation and therefore it would still depend upon the respective governments. So the IJC is not - I think it's operating under clause 2 of its operation, which is recommendation not adjudication, and that that changes in part the nature of the presentation and also the nature of the results of the IJC. Could the Minister clarify those two positions?

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: Well the honourable member is right, that the matter is being referred, or an attempt is being made to refer the matter to the IJC for recommendation. I do not know offhand what adjudicatory authority they would have or whether the parties would submit it for adjudication, whether the United States Government would submit it for adjudication; or if they

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(MR. GREEN cont'd) would, then I suppose it would be to our advantage because adjudication can only bind them, it doesn't make our position any worse than if they didn't adjudicate.

The terms of reference have not been agreed to; as of yet they are working on the terms of reference. The diplomatic channels are still available. I dealt with the studies, perhaps not to the satisfaction of the Member for Riel. Now he asks a much more subtle question. Is this the best course? Well, Mr. Chairman, I think without undermining Mr. MacEachen at all, I asked that question, I met with him on this question and we discussed the various pluses and minuses - and then I said that it is your decision to make, and when you make that decision, I will be guided by it. I do not think at this point it would be appropriate for me to sort of hedge out by saying, look, I have these qualifications, these problems, because the member has raised some problems. When you go to the IJC, there are things that you forego. You don't necessarily forego them because while you are before the IJC, it doesn't prevent you from continuing to discuss. You know, the fact is that this is the case, that lawyers - 90 per cent or 99 percent of the cases that go to court are not adjudicated upon because the court action itself is a form of negotiation and the reference to the IJC does do certain things. It takes the pressure off the politician because now it's been referred to the IJC. Well, I'm not sure that either the Minister of Internal Affairs or myself wanted to take the pressure off ourselves to deal with the question at the IJC or take the pressure more importantly off the political people in the United States. But that decision - I believe that I will not be unfair if I say that that decision was taken by the Minister of Internal Affairs. Him having taken that position, I say that the Government of Manitoba will speak through that voice on this question and I will say that I believe that that is the best thing for me to do - that it's not wise for me to start second-guessing about the IJC because that decision has been taken.

MR. CHAIRMAN: The Honourable Member for Souris-Killarney.

MR. McKELLAR: Mr. Chairman, I'd just like to say a few words before we adjourn this afternoon on this important subject matter which has been debated very fully this afternoon. The reason why I'm speaking is because eventually this water will run through the constituency which I represent. In fact the river, the Souris River itself --(Interjection)-- That's right and it's going right by this door.

And let's look at the history of what actually happened. Quite a number of years ago the Garrison Dam was constructed, involving large amounts of agricultural land in the valley of the Missouri River. And the reason they tell me why this particular project, the Garrison Diversion, the irrigation project, was started was because the politicians at Washington wanted to reimburse North Dakota with something that they thought was in the best interests of North Dakota. So they devised this great project, which we know as the Garrison Diversion Plan, to irrigate 250,000 acres in North Dakota. Well, as mentioned by the Member for Riel, those of us in our caucus, some of us had a trip down there last year to look into this particular project and I, knowing the State of North Dakota, was greatly amazed - I thought the part of North Dakota that would be irrigated would be that western part which has poorer land, it won't grow grass any more than two inches high at the best of times in dry weather; but lo and behold, all the water is going to end up in the area down the eastern part of North Dakota and also that area south of where I live, and it's joining around . . . North Dakota, east of Minot where I thought, you know, that land wouldn't need it because it gets quite a bit of rainfall anyway. But this is the area it's going to irrigate. Part of the water will eventually run into the Red, part of it will run into the Souris. Now this I guess, Mr. Chairman, is one of the first times that water has ever been taken over the heights of land as we know it in North America. One of the few times, I would imagine. I don't know what the history books say, but this is where the problem lies, this is where the problem lies when you divert the water over the heights of land.

Mention was made by the Minister this afternoon - and it's true, I've heard this many times that, oh, we don't have to put it into the Red, we don't have to put it in the Souris, we can send it back in a loop and go around back into Missouri again. But I am told that Minnesota have a court case now against the United States Government; I understand that South Dakota won't have any part of the water that's flowing through there. They in turn practically stop it running, flowing back into the Missouri again. So eventually they get around Minnesota and get around South Dakota, we'll put it into Manitoba and let it run in. And a great deal of history was told this afternoon of all what's happened.

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(MR. McKELLAR cont'd)

Now I don't know. I was a member of this government in 1965 when this plan was devised and when it was started and I don't know where I was. I guess the Member for Riel and the Member for Lakeside weren't here at that time, and this is very unfortunate. I was kind of sitting back all during these debates the last couple of years because it really amazed me that this plan was devised; that we as a government of Manitoba - I was sitting over on that side at that time - were sitting back and maybe - well I don't know whether the communications were worse at that time ten years ago, but this plan was started then. Construction didn't start right that year but it started about '66, yes, and we saw the great ditches that were built 100 feet deep, and the water's supposed to flow around those canals. Well, I can imagine what's going to happen. --(Interjection)-- The International Joint Commission, you say. We all know it's going to be put in their hands. But the thing about putting it in the International Joint Commission, it's going to take it out of the political hands, and if I was a politician I'd want that. But I get a little curious what the end result will be if they come up with a recommendation saying that the plan is justified, that it will not harm the waters coming into Manitoba - and do we have to accept that. Where do we go? What court in the land do we face then if they come up with the recommendation? And that's all they can do, that's all they can do, the International Joint Commission, that's all they can do - is recommend to the governments of the day, both at Ottawa and Washington. So where do we go from here?

Now if the Americans come back and they say the water runs from the Souris into North Dakota and comes back into Manitoba from North Dakota, that the quality of the water coming into Manitoba is better than the quality of the water coming from Saskatchewan and North Dakota - that's another argument. Now the politicians in North Dakota under Governor Link, including all the state representatives there and all the state senators, I doubt very much if there's one or two at the most that are against this whole project. They're all in favour of it. They congratulated the Premier last year by a resolution, a resolution passed by all members of the House and the State of North Dakota for the work . . . And I don't know if that's good or bad. If I was the Premier, I'd be a little shaky when that resolution was passed, because I would be thinking they were trying to dine and wine me and send me down to Florida, maybe on a week's holidays or something. I'd say maybe that would be the end result of that resolution.

But we're faced with a problem. We're faced with a problem now because the problem, if it's created, is going to affect the people of Manitoba for all time to come once they start irrigating. Because irrigation isn't something you start and end overnight. The mammoth cost that's going to be involved in this, and it's going up \$100 million a year, is going to be so costly that the system's got to work if they're going to use it. I know it's their money and they're spending it the way it is.

Now mention was made about Senator Young. Senator Young as mentioned is the man behind the whole deal. Senator Young had to get elected last year. He had to get elected. --(Interjection)-- Well I'm not a member of parliament, I don't have . . . he's not my member of parliament. He can do what he wants. Maybe he's got a feedline to Washington better than most of us have. But Senator Young is the man, he's the senior man in the Senate, and he's the man that . . . has the power behind the wheels in Washington to authorize the money. So he got elected; he beat Governor, former Governor Guy out. Both the men were in favour of the whole project. This is another peculiar thing. The other Senator there, Burdick is in favour of it. The man in the House of Representatives, U.S. House of Representatives in North Dakota - I forget his name now - he's in favour of it, and right down the line.

But maybe, Mr. Chairman, somebody will come up with the answer. Maybe the International Joint Commission is the right approach to the problem. The thing that always bothers me about this is that it might take so long the plan will be in operation. I don't know how long it's going to take the International Joint Commission to hear everything that's going to be said on both sides of the border, and come up with a recommendation. If it's 1978 or 1979. . . I would say they have to have it completed by 1976 if they're going to do anything about stopping the project in time. I can see that once they build that great huge mammoth reservoir down there, and I forget - is it the Velva Reservoir or what? Browntree, yes. Well, anyway, Lonetree - it's a famous name, Lonetree anyway. But once they built that

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(MR. McKELLAR cont'd) reservoir the water is going to come over the heights of land and it's only got one place to go. It's all right for them to say they can send it back into the Missouri, but they can't send it back into Missouri as far as I can see. So the Town of Souris, which I represent, is greatly affected. The City of Portage la Prairie, the Member from Portage here, is affected, because both those communities take their water out of the river, and to a lesser extent the City of Portage la Prairie because the majority of the water is from the Assiniboine. But they will be affected, and I hope that in the long run that we as politicians here representing the people of Manitoba will not regret anything that has happened because of the decisions that are made in the future on this mammoth project. But it's a project that, as I mentioned at the start of my few remarks, that they thought they were going to reimburse the State of North Dakota for the agricultural land they absorbed in the flooding of the Missouri due to the construction of the Garrison Dam, and they thought they were going to reimburse it and it would help everyone. It isn't going to help the people in North Dakota that I thought it was, but that's their problem. That's their problem, and it's not one for me to say whether it's right or wrong. I don't know which position is the right one, other than to protect the waters that come into the Province of Manitoba. What they do with irrigation, and what they do with everything else, cutting canals through the land and disrupting the farmers, that's their problem as I see it.

MR. CHAIRMAN: The hour being 5:30, the Committee rise and report. Call in the Speaker.

Mr. Speaker, your Committee of Supply has considered certain resolutions, directs me to report progress, and begs leave to sit again.

IN SESSION

MR. SPEAKER: The Honourable Member for Logan.

MR. WILLIAM JENKINS (Logan): Mr. Speaker, I beg to move, seconded by the Honourable Member for St. Vital, that the report of the Committee be received.

MOTION presented and carried.

MR. SPEAKER: The hour of adjournment having arrived, the House is now adjourned and stands adjourned until 10:00 a. m. Saturday morning. Law Amendments tonight.