

THE LEGISLATIVE ASSEMBLY OF MANITOBA
10:00 o'clock, Saturday, June 14, 1975

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees. The Honourable Member for Logan.

REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. WILLIAM JENKINS (Logan): Mr. Speaker, I beg to present the Third Report of the Standing Committee on Law Amendments.

MR. CLERK: Your Committee met on Friday, June 13, 1975, and heard representations with respect to the Bills under consideration as follows:

No. 58 - An Act to amend The Public Schools Act.

Y. M. Henteleff - Manitoba Association for Children with Learning Disabilities.

Stan Jackson - Pelly Trail School Division.

No. 46 - The Gas Storage and Allocation Act.

Walter Kucharczyk - Private Brief.

Your Committee has considered Bill:

No. 11 - An Act to amend The Agricultural Societies Act.

And has agreed to report the same without amendment.

Your Committee has also considered Bills:

No. 56 - An Act to amend The Landlord and Tenant Act.

No. 58 - An Act to amend The Public Schools Act.

And has agreed to report the same with certain amendments.

MR. JENKINS: Mr. Speaker, I move, seconded by the Honourable Member for Thompson, that the report of the committee be received.

MOTION presented and carried.

MR. SPEAKER: Ministerial Statements or Tabling of Reports. The Honourable Minister for Consumer Affairs.

MINISTERIAL STATEMENTS OR TABLING OF REPORTS

HON. IAN TURNBULL (Minister of Consumer, Corporate and Internal Services) (Osborne): Mr. Speaker, during my Estimates members asked for a report pertaining specifically to the Consumers Bureau and the office of the Rentalsman and I am tabling that Report today and it will be distributed.

MR. SPEAKER: Any other Ministerial Statements or Tabling of Reports? Notices of Motion; Introduction of Bills. The Honourable Minister for Education.

INTRODUCTION OF BILLS

HON. BEN HANUSCHAK (Minister of Education) (Burrows) introduced Bill No. 64, an Act to Amend the Teachers Pensions Act.

MR. SPEAKER: Questions. Orders of the Day. The Honourable Member for Riel.

ORAL QUESTIONS

MR. DONALD W. CRAIK (Riel): Mr. Speaker, I wanted to ask the Minister of Education if he had determined any information with regards to the Arctic Institute - he indicated earlier in the week?

MR. SPEAKER: The Honourable Minister of Education.

MR. HANUSCHAK: No further information at this point in time, Mr. Speaker.

MR. CRAIK: Mr. Speaker, did I gather correctly from his remarks on Thursday that he intended to have some information on it within a matter of half a day or so as he indicated at that time?

MR. HANUSCHAK: Yes, I did and I suppose, Mr. Speaker, that this afternoon I'll be able to provide the honourable member with an answer. I just don't have it . . .

MR. SPEAKER: The Honourable Minister of Mines.

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, it may facilitate the honourable member - I'm not certain - I'm not trying to usurp anybody's rights, but if I knew what the question was. There

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(MR. GREEN cont'd) were some involvement with the Arctic Institute by the First Minister and myself earlier in the year. I don't know what the question about the Arctic Institute was?

MR. CRAIK: Mr. Speaker, the question was, I think I directed it a week ago yesterday to the government benches generally and to the Minister of Education in lieu of not knowing specifically which Minister may have been involved because the University of Manitoba was somewhat involved. The question was: In view of the decision of the Arctic Institute to now relocate somewhere other than Montreal and somewhere in Western Canada, was the Province of Manitoba looking at the possibility of their locating in Winnipeg where they have a desire to have some association, not only with the Arctic but also with Hudson Bay Archives that are located here?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Well, Mr. Speaker, it may be then that the Minister of Education will get some new information. The last information we had is that they are staying in the Province of Quebec. I tell the honourable member that the last information we had is that they were staying in the Province of Quebec. If they are moving west then they would be aware of a set of circumstances under which if they wish they could locate in the Province of Manitoba because that has been made available to them some time ago.

MR. CRAIK: I wonder, Mr. Speaker, then if the House Leader could indicate whether some sort of financial consideration was offered by the Province of Manitoba to the Arctic Institute at some point in time?

MR. GREEN: Mr. Speaker, the words "financial consideration" are something which it's going to be very difficult to find. We were not bargaining for the luring away of the Arctic Institute from the Province of Quebec. What we said is that if they wished to locate in the Province of Manitoba there would be certain conditions available on which they could locate which would include provision for the library, provision for grants being made to the university to take care of certain aspects of their operations. But I want to emphasize, Mr. Speaker, it was not held out as some type of lure, it was something that they wanted to discuss with us. We discussed it with them. Our last word was that they were going to stay in the Province of Quebec. If that has changed we would expect to hear from them and if they didn't contact us then that would be their option.

MR. CRAIK: Perhaps, Mr. Speaker, in view of their decision I think in the last two or three weeks, the reversal of their earlier decision to now look at a location in the west, I wonder if the government could try and determine what their most recent plans are and whether we're still in the picture?

MR. GREEN: Well, Mr. Speaker, we are not engaged in a competition to obtain the Arctic Institute in the Province of Manitoba, but we are well aware of what they are doing, there are contacts that they have made with the government, they are aware of our position and if they wish to renew those contacts they know we are here. They last told us that they were staying in the Province of Quebec.

MR. SPEAKER: The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): Mr. Speaker, the First Minister has knowledge of the question I'm about to ask him. Is it the policy of the Manitoba Hydro to charge residents of multiple dwellings who are on one meter a higher rate than if on separate meters?

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): I shouldn't think so, Mr. Speaker. There is a residential rate, a farm rate, a general service rate, a heavy industrial rate. I'm not aware that there is anything beyond that in the way of differential in rates. The industrial rate in turn is subdivided depending on the kind of firm load demand. I indicated to the Member for Swan River that I've asked for particularization and when I have that I'll be pleased to give him the full detail.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Mr. Speaker, I direct a question to the Honourable the Minister of Agriculture. I wonder if the Minister can tell me whether or not a decision has been arrived at by the Manitoba Milk Marketing Board to deduct a five cent per cwt charge to help with the proposed financing of the whey plant in Selkirk?

MR. SPEAKER: The Honourable Minister of Agriculture.

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HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): Mr. Speaker, that is an accurate assessment. The Milk Producers Marketing Board is prepared to participate in that way and have indicated to the government that they are, so that that is part of the negotiations that are going on, yes.

MR. ENNS: A supplementary question, Mr. Speaker, directed to the same Minister. Can the Minister, and I appreciate it may just be a guesstimate, has he any indication as to what kind of dollars and cents that kind of introduction would raise per year based on the average milk production?

MR. USKIW: About a quarter of a million dollars, Mr. Speaker.

MR. ENNS: Mr. Speaker, I direct a question to the Honourable the Minister responsible for Corporate and Consumer Affairs. Can the Minister give the consumers of the Province of Manitoba any undertaking that this additional cost won't be tacked on to the price of milk bought by the consumers of the Province of Manitoba?

MR. SPEAKER: The Honourable Minister for Consumer Affairs.

MR. TURNBULL: Mr. Speaker, the Department of Consumer Affairs staff and the staff of the Department of Agriculture are forever in consultation about these various programs of the Department of Agriculture and it is certainly my expectation that those consultations will result in consumers in Manitoba for the purchase of agricultural products.

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, I would like to add to that. The Honourable Member for Lakeside perhaps isn't aware, although he should be, that the producers of milk in Manitoba have been and continue to subsidize the consumers of Manitoba to the extent of about \$1.3 million every year in the price of milk which they charge to the cheese plants.

MR. ENNS: Mr. Speaker, I direct a further supplementary question to the Honourable Minister of Corporate and Consumer Affairs. Did he indicate that his staff was in consultation with the Department of Agriculture or in confrontation with the Department of Agriculture?

MR. SPEAKER: The Honourable Minister.

MR. TURNBULL: Mr. Speaker, I would hope that there would be a little bit of both.

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

MR. EARL McKELLAR (Souris-Killarney): Mr. Speaker, I'd like to direct a question to the Acting Minister of Municipal Affairs - I'm just wondering who that might be. Because of the fact that we got left on our desks here this morning 60 amendments to the Planning Bill, I was wondering if the computer in somebody's office would come up with a revised bill so that we could have a look at it. It's practically impossible, for us, sitting Saturday, to put this all into order so we'll know what it's all about. It's really unbelievable. In fact I think the motions here, the amendments, are as large as the bill itself practically. I was wondering if something couldn't be done about that.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, the honourable member has good practice in doing this. He's been doing it for 17 years.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY McKENZIE (Roblin): Mr. Speaker, I have a question for the Honourable the Minister of Finance, the First Minister. I wonder, can the First Minister advise the House if the Department are now doing any studies on the effect the three cents tax on gasoline plus the eight cents federal tax that we're to face July 1st will have on the economy of our province and the inflationary factor?

MR. SPEAKER: The Honourable Minister.

MR. SCHREYER: Well, Mr. Speaker, insofar as the impact of the eight cents is concerned, it will be an impact that is roughly proportionate to eight cents over sixty, and whatever that comes to in fractional terms is about the fractional impact. Insofar as the three cents tax is concerned, it will bring the level of taxation to 18 cents, and in the case of diesel fuels 21 cents, which is, for my honourable friend's benefit, one penny more than it was under my honourable friend's administration. I think that he will realize very quickly that a one cent increase, total aggregate increase, in the gasoline and motive fuel tax as compared to 1964 is not exactly rapid escalation.

MR. McKENZIE: Mr. Speaker, did I understand the First Minister that it will stimulate double digit inflationary factor?

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MR. SCHREYER: Well if it would, Mr. Speaker, then I would suggest that the impact of an 18 cent tax in 1964 on gasoline - and I think it was 19 cents or 20 cents on diesel fuel in 1964 - would have been even proportionately greater, because the average disposable income in 1964 was substantially less than it is today.

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

MR. McKELLAR: Well it's regarding the same question. I was wondering if this will increase the unemployment in Canada by quite a large amount by the raising of the price of gasoline.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I can advise the Honourable Member for Souris-Killarney that insofar as the proposed \$2.00 per barrel increase in the price of petroleum, crude oil, that will reflect in something in the order of eight cents a gallon, but it would be wrong for us to assume that that is in fact what is intended. I can tell the honourable member that approximately at 4:00 p.m. yesterday the Prime Minister was in telephone communication in this round robin exercise, as I've described it, and indicated that neither the price of \$2.00 per barrel nor the date of July 1st is in fact definitive, and that the Federal Government reserves the right still to announce what the date will be and what the amount will be, neither of which are as reported in the front pages of the newspapers yesterday. I can't account as to how that happened. All I can tell to the honourable member is that neither the \$2.00 nor the eight cents nor the July 1st date are yet to be regarded as final.

MR. SPEAKER: The Honourable Member for Roblin.

MR. McKENZIE: Mr. Speaker, in reference to the year 1964 rates by the First Minister, I wonder would he or his staff check their records and advise what the inflationary factor was in 1964?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: I'd be pleased to do so, Mr. Speaker; and while I'm doing that, I would also give the specific data to my honourable friend so that he will appreciate that a tax of 18 cents per gallon in 1964, when the disposable average personal income was approximately half of what it is today, was a far sharper impact of taxation on motive fuel than it is today.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, I'd like to suggest that the next meeting of Law Amendments Committee where we will consider at least two bills, the bills presented by the Minister of Labour, I'd like to suggest that we call that meeting for 2:30 on Tuesday afternoon - 2:30 for Tuesday afternoon - in the hope that perhaps that time could be well utilized. As Law Amendments Committee, not as Industrial Relations Committee.

ORDERS OF THE DAY - GOVERNMENT BILLS

MR. GREEN: Now, Mr. Speaker, I'd like to call Bill No. 63, and then, just to give notice to honourable members in case they are able to proceed, I'm going to try 57 and 61. But, in the meantime, the First Minister will be introducing Bill No. 63.

BILL NO. 63 - THE INCOME TAX ACT (MANITOBA)

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER presented Bill No. 63, an Act to amend The Income Tax Act, for second reading.

MOTION presented and carried.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, there is indeed some explanation relating to Bill 63 but nothing that will be in any way new to the honourable members of the Assembly. It is strictly pursuant to the main points which were enunciated in the Budget Address on the 24th of April, and Bill 63 is merely to give effect to the Budget policy as then announced.

The principal amendments to the Income Tax Act which are included in Bill 63 are needed in order to increase the benefits available under the province's two tax credit programs for 1975. As announced in the Budget the Government of the Province of Manitoba is proposing to increase property tax credit benefits for 1975 to a maximum of \$300 and a minimum of \$175.00. These changes represent an increase of \$50.00 in the maximum and \$25.00

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(MR. SCHREYER cont'd) in the minimum over last year's level. It is estimated that the 1975 Property Tax Credit Plan will reduce school and general municipal property taxes by about \$75.5 million.

An increase in benefits under the Cost of Living Tax Credit Plan is also being proposed. This increase involves a change in the formula under which the cost of living tax credits are calculated. Last year as you will recall, sir, the formula was 2 percent of personal exemptions under the Income Tax Act, that is to say as defined under the Income Tax Act, 2 percent of personal exemption minus 1 percent of taxable income. As proposed in the budget and as provided for in this bill for 1975, the formula will be 3 percent of personal exemptions minus 1 percent of taxable income. This formula then translates into a maximum cost of living tax credit of \$127 for a family of four. The total tax relief which will result from the expanded cost of living tax credit plan is now estimated to be approximately \$23 million. As indicated in the Budget the total tax relief provided under the two plans for 1975 can be, and indeed depending on circumstances will be as much as \$427 for a family of four, \$406 for a married couple, \$356 for a single person under 65, and \$441 for a pensioner. Honourable members can find a complete set of benefit distribution statistical data among the tables which were included in the budget papers.

In aggregate terms the combined tax relief provided by the two credit plans for this year will be roughly \$98.5 million. Of this amount \$31.5 million will be paid out of General Revenues to Municipal Governments later this month to reimburse them for deducting tax credit advances from their 1975 property tax bills; the remaining amount of the credits, some \$67 million, so the proportionality is almost perfectly two to one, 1/3 and 2/3 of the total of \$98, \$99 million. So therefore the 2/3, or about \$67 million, will be paid out through the income tax system and will be deducted from the income tax collection payments Manitoba receives from the Government of Canada.

I think it is perhaps stating the obvious that the government believes that these tax credit plans represent an equitable system of providing direct tax relief to Manitoba citizens given the nature of our current taxation system and tax collection agreement in Canada. Unlike simplistic across the board percentage tax cuts, which take no account of the ability to pay principle, and which provide increasing reductions as incomes rise, the tax credit plans insure that maximum tax relief is directed towards individuals and families in proportionality to income and disposable income. Indeed those very families who face the greatest difficulty in maintaining real income positions in the face of rising prices.

In this connection it might be interesting for honourable members to note that the advantages of the tax credit system are being recognized by more and more governments each year. Following on the heels of Manitoba and Ontario introduction of this concept, Alberta and British Columbia subsequently introduced variations of the same concept in their parallel legislation. In addition a large number of states in the United States have in very recent years brought in similar or parallel conceptual legislation. The widespread and growing acceptance of the inherent equity and effectiveness of tax credits as a means of providing tax relief, scaled, calibrated about as well as can be to ability to pay and income, is a program therefore which we are proposing in this bill to enhance and to increase in terms of amounts and scope.

In this connection I would like to refer briefly to the arguments which continue to be put forward by a few and diminishing number of municipal representatives for a greater share of provincial revenues with no strings attached, and no responsibility or visibility with respect to collection. In the past few weeks some number of persons within the municipal administration, City of Winnipeg, have repeated the argument in an insert which it included with its property tax statements. That insert greatly understated the amount of tax relief Winnipeg ratepayers will receive in 1975, and that insert further went on to conclude that the province was not doing its fair share to help offset increases in school and general municipal property taxes.

Well, sir, between 1968 and 1975 the increase in municipal and school financing by the province to the City of Winnipeg, Greater Winnipeg, has been increased from 40 million aggregate to \$143 million in seven years on municipal and school division . . . account, an increase of 103 million, sir, of which 25 million was automatic and on-track and would have taken place in any case even with the pre-existing program and formula, but some 73 million to 75 million is an increase that is directly attributable to the change in policy and programming and fiscal support. But in case that it is perhaps regarded as a biased statement by the defence, I would

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(MR. SCHREYER cont'd) like to also bring to attention of honourable members that according to the Toronto Daily Star, according to a local Winnipeg representative, who attended the Canadian Association of Mayors and Municipalities meeting within the last ten days, the concept that we introduced in the 1975 Manitoba Provincial Budget offering to provide for tax room, within certain guidelines and parameters, to municipal government, is being hailed as one of the first, one of the few genuine reforms and proposed major changes in local government finance within the last decade.

And perhaps it would be self-serving on our part if I were to read the editorial from the Toronto Star, so I will not do so, sir, except by way of a paragraph or two. And it says, sir, and I quote: "That Manitoba has just taken a big step toward easing the property tax burden on urban citizens by allowing local governments a share of income tax. While the property tax no doubt will remain, it will no longer have to bear the brunt of rapidly rising costs of running the cities alone. And it will be made less regressive by an improved system of property tax credits for those less able to pay. Giving cities a share of income tax makes sound sense for several reasons." And then it goes on to postulate those reasons. And then it concludes and I quote: "Manitoba has taken a firm step to rationalize the seriously flawed way we finance our local governments in this country. It's high time Ontario did the same."

Well, Mr. Speaker, I really don't know what the Toronto Star's politics is, if it has any party politics, and I don't know what the party politics of the Canadian Association of Mayors and Municipalities is - I rather suspect it is about as diffuse and multi-partisan as the Democratic Party nature in Canada - but they have formally gone on record now as indicating that the proposed reform, proposed in Manitoba, is indeed the kind, precisely the kind of reform in local government taxation, or provincial-municipal, or dominion-provincial-municipal fiscal relations that ought to become the order of the day across Canada. I have been offered by the Deputy Mayor of the City of Winnipeg to be given copies of that resolution, and I hope that when I receive them I will then be allowed to emboss them and put a blue ribbon on it and distribute it to all honourable members. Because it is indeed, if not a red letter day, a blue ribbon day for Manitoba that we should be lauded as coming forward with a genuine reform, or proposed reform in dominion-provincial-municipal fiscal relations.

Well, sir, to go on, Bill 63 also contains certain technical amendments affecting the operation of the two Tax Credit Plans. An amendment is proposed to emphasize that where spouses occupy separate residences, but where they are not separated in a marital sense, only the spouse with the higher taxable income may claim a property tax credit, and only in respect of one of the residences. This amendment ensures that a married couple cannot claim more than one property tax credit. For example, one based on their principal residence and a second based on a different residence, such as a summer cottage. And there has not been significant, but there has been some technical difficulty with precisely that kind of question.

Another amendment would stipulate that in cases such as bankruptcy or the death of a tax filer, that is, cases where more than one tax return may be filed for one calendar year, the total amount of the credits claimed cannot exceed the amount that would have been claimed if only one return were filed and all the income for the year were reported on that return.

There is also in Bill 63, sir, an amendment which will prohibit a tax credit claim from being made on behalf of a deceased person on a Rights and Things return, filed after the normal income tax return in respect to assets disposed of after death, and which are taxed as if the deceased taxpayer had not filed earlier. Tax credits remain available on the year of death return, however.

A final amendment redefines total exemptions for the Cost of Living Tax Credit Plan, so as to include any portion of the age exemption of one spouse that may be claimed by the other spouse. The age exemption under the Income Tax Act of Canada, which is directly relevant under the Cost of Living Tax Credit formula, the age exemption, sir, is normally available only to persons 65 years of age or over as a special deduction in computing their taxable income. Recently, however, the Government of Canada made this exemption transferable between spouses in cases where the spouse normally entitled to claim it did not require it to reduce taxable income to zero. This change made it necessary to amend the provincial legislation so as to permit the tax filer claiming a portion of the age exemption of a spouse to include that portion of the exemption in the computation of his or her cost of living tax credit entitlement.

The amendment also stipulates that if the age exemption of the spouse is claimed by the

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(MR. SCHREYER cont'd) taxfiler, the spouse will be considered to be a dependent for purposes of the program, that is to say of the Cost of Living Tax Credit Program, and will not be eligible to claim a second cost of living tax credit in his or her own right.

In addition to these technical changes then affecting the Tax Credit Plans, Bill 63 contains a number of housekeeping amendments which are required under our Income Tax Collection Agreement with Canada in order to maintain uniformity between Federal and Provincial Income Tax Acts. Generally these amendments reflect changes which have already been enacted in Ottawa and which are now in effect, in effect as of the announcement of last year's budget which did not get formally through parliament until, I believe, only three months ago.

It is proposed to change the foreign tax deduction for individuals to ensure that a taxpayer receives full benefit for taxes paid to another country. Under recent change in the federal legislation, income from a controlled foreign affiliate is taxed on an accrual basis. That is taxes are levied on profits as they are actually earned and prior to the payment of any dividends. In subsequent years, when the income is actually received in the form of dividends, a deduction from income is allowed in respect of these dividends to prevent taxing this income twice in Canada. To ensure that the taxpayer gets full benefit for foreign taxes paid, however, the dividend income is included with other foreign income in calculating the deduction for foreign taxes. The proposed amendment parallels this federal provision, thereby ensuring that full consideration is given to foreign taxes in determining provincial taxes payable as well.

Another amendment is proposed with respect to the foreign tax deduction for corporations. This is intended to correct a technical deficiency in the present legislation. The present Act assumes a provincial income tax rate of 10 percentage points, that is the standard corporation tax rate at the provincial level, the basic rate I suppose one could say across all jurisdictions, and bases the foreign tax deduction on that rate. In fact, of course, the provincial tax rate in, if not all, almost all provinces is in excess of 10 percent, being 11, 12, 13 percent. The amendment bases the foreign tax deduction for taxes already paid to other countries on the full provincial tax rate.

And finally, Mr. Speaker, an amendment on this bill is proposed to require that corporations pay their final income tax installments one month earlier under, as is required, under the revisions to the federal Income Tax Act. However, this does not apply to Canadian controlled private corporations which are eligible for the small business deduction under the federal legislation. Corporations at present are required to pay tax installments monthly throughout the taxation year, based on an estimate of their tax liability, followed by a final thirteenth, I believe, clean-up payment. Previously the clean-up payment was made in the third month following the close of the taxation year; now it will be made in the second month. So that in a sense it is the fourteenth month after the first month of a new fiscal or tax year. And these latter changes I've been referring to, unfortunately at some length, are consequential on changes made in the federal Income Tax Act.

Honourable members may be noting the fact that we have no section in this bill relating to the 15 corporation tax points which the Government of Canada has abated to the provinces, and which theoretically, and in actual fact, was available to provinces for picking up in the aftermath, or on the heels of the Federal Government abating those 15 tax points, and as we indicated in the Budget Address, it was Manitoba's intention to proceed to pick up those 15 abated corporation tax points, but in the light of certain developments in terms of discussions and tax impact analysis, comparing of notes on the part of some of the mining companies and the provincial Department of Finance and Mines and Resources, for that reason, and also for reason of the fact that there is intended, very soon I believe, although I'm not in position to confirm anything - that will await the federal budget night on the 23rd - we would have been in the position of being the only province picking up those 15 abatement points. I do not say it so much as a matter of criticism but in fact I do not believe that Canada and Manitoba would have been able to arrange administratively for the actual levying of the 15 abated points, so accordingly, for reasons stated, we are not making provision in Bill 63 for the Province of Manitoba to pick up the 15 abated points. Accordingly, in a sense, one could say that these 15 points are being lapsed and/or being countervailed by other tax changes already brought before the House by either myself or my colleague the Minister of Mines.

It is, I suppose, a matter of - how shall I say - it goes without saying, but perhaps in

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(MR. SCHREYER cont'd) order to avoid any possible misunderstanding, it goes without saying that if there is to be no picking up of the abatement points there will certainly not be any program of compensation or remission in terms of adjusting the tax impact as a result of picking up the 15 abatement points. So, I believe, in fact I am certain, that Manitoba will not be the only province lapsing the 15 abated points. In fact, I believe that all provinces, some of whom of course for which this is academic in terms of the mining companies, all provinces will be in effect not picking up those 15 abated points, and I say as a matter of some irony or amusement, that had we decided to proceed in any case to pick up the 15 abated points, I would not be able to confirm to you today that administratively it would be possible this year, because the administrative machinery for that is nowhere near being ready or having been worked out. So, accordingly, this Bill 63 has one, that would have been an important provision - it is absent for reason of the fact that we are not proceeding to transfer to the provincial coffers at this time the corporation tax points, 15 in number, that was earlier proposed.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I move, seconded by the Member for Swan River, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: 57, Mr. Speaker.

BILL NO. 57 - THE PENSION BENEFITS ACT

MR. SPEAKER: Bill 57. The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, Bill 57 I'll deal with at this time, and presumably it will go on to committee for some further discussion.

At the outset, Mr. Speaker, let me say that in principle the Official Opposition agrees with the objectives of this bill, mainly in the regulation of pension plans in the Province of Manitoba. Therefore, in principle we do support the bill and see that it can bring about a number of desirable benefits to people in the private and public sector with regard to providing them with more stability and portability and future potential in their pension plans. So, let there be no doubt that we intend in principle to support the bill.

We have some questions with regard to the handling of it at the moment. We realize that Part II, at the request of the government, will go to the Intersession Committee for further study, and given the importance of the total move I think our question would be, why not leave all parts of the bill until after the Intersession Committee has actually had more time to look at it? Because the commission itself will not be able to proceed effectively with its work until Part II has completed the work of the Legislative Committee between sessions, and come back for final approval of the Legislature at its next session. So again, I would ask the question - there doesn't appear to be any great deal of logic as far as we can see in making effective Part I and Part III, and the government may wish to consider that as to whether or not it shouldn't simply be left so that this committee can have a more intensive look at it.

Mr. Speaker, there are points made by the First Minister in introducing the bill, and we don't have the full context of his remarks since the Hansards are not out from that day, but there are some points that are important in here, and it says that it is hoped that it will be possible to work out arrangements between plans which will make it possible for employees to preserve some of their pension rights when they change jobs. Well, Mr. Speaker, I think that's a very legitimate point, that I'm sure that all of us have encountered people who, by virtue of having been in a particular job for a great many years, have found that their job condition is such that they would like to change jobs, but they find themselves locked in to their job, unhappily, in their job circumstances because their pension plan would, first of all cause them to take a substantial reduction by taking the early removal from that job; and secondly, they may well be at the age where if they want to move to a new job, that their age is a penalty for them in establishing themselves in a new pension plan. So there certainly is room for improvements in this respect. In other words, we agree with the principle that a person's pension circumstances should not lock him into the set of circumstances that are peculiar to his job, that his pension plan, that is, his own personal requirements at the time when he wishes to retire, should be something that are more private to him than a condition of his employment. So if this commission and its work can bring about that situation it will bring about a very

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(MR. CRAIK cont'd) marked improvement, I would think, for many people who are caught in that very unhappy position where their work condition is dictated by the circumstances of their pension. So we'll hope that the commission, in its future work - I realize that that won't be done overnight but in its future work, can bring about some improvements.

We note that the commission will also take over the pension plan sponsored by the province, and we note here that there are at least two pension funds that, according to the Auditor, are in some difficulty at the present time. The one at the university had an auditor's comment on it in the last university's report, and the Teachers' Retirement Allowance Fund also has an auditor's comment with regard to the position of that fund. So, Mr. Speaker, in reading this, it's obvious that this commission is going to have to address itself not just to the problems that may exist in the private pension funds in the province, it's going to have to bring about some rectification of an existing problem that is apparent by the Auditor's report in both the university funds and the Teachers' Retirement Allowance Fund. So let's not get the impression that it hasn't got problems in the government funds alone.

So, Mr. Speaker, I think in final note on this, there are a few things that we will want to point out at committee. There's a - and I'm not sure what section it is, whether it's Part I or Part II - the definition of deferred live annuity should read, I think it says 70 years in the bill, the mandatory age according to law is 71 years. There's a reference here to Acts, we can't figure out whether they refer to the existing federal Acts as well as the provincial Acts. There's also a notation here that they intend to handle cash flow. We would like some explanation from the government - is it the intent to make it possible for them to handle cash flow just for emergency circumstances? We naturally have due cause for concern, when we see them authorized to handle cash flow, that they intend to move aggressively into the private pension plan schemes, which of course we're not in favour of. So when we get to the committee stage we'd like some explanation of that.

With those remarks, Mr. Speaker, let me say that this is one bill, from what we've seen of it in the three days we've had to look at it, we support the idea of better co-ordination, regulation, and particularly future portability of pension plans, and support it at this point.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Mr. Speaker, I beg to move, seconded by the Member for Portage, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Yes, Mr. Speaker, I wonder if the Member for Morris is just temporarily absent or whether he wants this stood? Oh, are you going to be speaking on that? Oh, that's fine then. If we call then Bill No. 61, it'll be the Member for Riel who will be speaking.

BILL NO. 61 - AN ACT TO AMEND THE FINANCIAL ADMINISTRATION ACT (2)

MR. SPEAKER: Proposed motion of the Honourable First Minister. Bill No. 61. The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, again in Bill 61 we don't have the Hansard record of the introduction of this bill, and I wasn't in the House at the time it was introduced, so I think probably the wisest thing to do is to move it on to the Committee stage in order that we can get the clause by clause discussion and therefore probably deal with it more effectively than we can at second reading.

We have a number of things here of course that we're concerned about, and I would say the one in particular that we're concerned about in this bill is that the government's section in here that deals with performance bonds, and this allows the government effectively, Mr. Speaker, to provide performance bonds for companies in which the government owns more than a 51 percent equity interest.

Now our feeling is here that by this move we're very very reluctant to see this happen from the point of view that it removes one more check and balance that is imposed on the Crown corporations, and I think in particular Crown corporations that are in the manufacturing field. I assume that this clause is aimed particularly in providing the performance bonds for Flyer Industries, and perhaps Saunders, and the other areas where they are dealing with a customer where a performance bond is required. Our feeling, Mr. Speaker, is that the government agencies still require some check and balance that can be provided by the private

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(MR. CRAIK cont'd) companies that provide performance bonds. That is, a private company providing a performance bond will not provide that bond unless in their evaluation the company has the capability to effectively deliver the goods and at the price that they contracted for. We don't see in principle any long-term advantage in removing that requirement. So this part of the bill, Mr. Speaker, that section of the bill that deals with the performance bonds we have very strong reservations about.

Now the other parts of the bill, the major factors in the bill, are ones that I think the only way we can deal with them is to go at them clause by clause, and we'll have to do that at Committee stage and deal with them on that basis.

QUESTION put MOTION carried.

MR. SPEAKER: Before we proceed I should like to make one statement in respect to procedure. My staff informs me all caucuses are receiving one copy of the uncorrected, unedited Hansard daily. Now if that's not occurring I'd like to know, because that's what I was informed was happening. --(Interjection)--It's been happening, and if it's not been happening I want to know. The Honourable House Leader.

MR. GREEN: Mr. Speaker, to the Member for Riel and the Member for Morris I just want to suggest that, unless there's a serious objection, that I could go into committee on the bill just read this afternoon. This afternoon, not this morning but this afternoon, Bill No. 61. Okay?

Mr. Clerk, can I have the Supply motion?

Mr. Speaker, I move, seconded by the Honourable the Attorney-General, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MOTION presented and the House resolved itself into a Committee of Supply with the Honourable Member for St. Vital in the Chair.

COMMITTEE OF SUPPLY - MINES, RESOURCES AND ENVIRONMENTAL MANAGEMENT

MR. CHAIRMAN: Order please. The Honourable Minister of Mines.

MR. GREEN: While we're waiting for the staff to be set up I'll just answer a question. I'm not going to, I hope, provoke a debate, but nevertheless the Honourable Member for Riel was asking me about claims staked as distinct from exploration programs being proceeded with. I would have to say that the amount of claims staked in 1975 is significantly down. It is very minimal but, Mr. Speaker, we do not look at that as being a problem because the staking of claims merely takes land out of exploration availability. I would gather that the reason that there are not as many stakes claimed is: 1) people are becoming accustomed to the regulations; and 2) now if they stake a claim there are much greater requirements for the keeping of that land than there used to be. So one would not stake a claim if he did not intend to follow that up with the kind of work that is required to keep that land out of general availability for staking. So claims staked, yes, significantly down, but exploration programs in existence on a level which we consider to be quite realistic for the province.

MR. CHAIRMAN: Resolution 78(c)(1) - passed; (c)(2) - passed; (c) - passed; Resolution 78(d)(1) The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I wonder if the Minister could explain in a little bit more detail the major activities of the Clean Environment Commission over the past year. In particular reference to two areas: one would be the hearings on the insecticide, pesticide references that were made to it in the City of Winnipeg; and secondly, the present examination that's going on in the Thompson area.

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I regret that I am delinquent in not having put on the table the report that I received last week which is the report of the Clean Environment Commission, the Annual Report of the Clean Environment Commission. I wonder whether there's staff upstairs who could get me copies of that report for distribution, that is, the Annual Report of the Clean Environment Commission?

With regard to the two particular items that the member has raised, they have heard cases regarding spraying and they have made decisions. One is presently under appeal with

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(MR. GREEN cont'd) my office. With regard to the case at Thompson they are presently in the process of considering what permits they will grant with regard to that operation the same as they did with Hudson Bay Mining. I am in no way involved in their considerations. I am involved in an appeal now with regard to an insecticide spraying program.

MR. AXWORTHY: Mr. Chairman, I wonder if the Minister could indicate that in the consideration of that appeal, has he had presented to him from either the departmental sources, environmental protection division, or from independent sources, any medical evidence that pertains to the toxic effects of the spraying that has been carried on in terms of its effect upon human beings or animal life, and if so what kind of medical evidence, or has he asked for such medical evidence to be produced?

MR. GREEN: Mr. Speaker, I have to explain to the honourable member that when I am considering an appeal from the Clean Environment Commission I do not have a retrial of the case, nor do I try to substitute my discretion for the discretion of the Clean Environment Commission with regard to the environmental considerations, both as to the effects of the problem and as to the effectiveness of the insecticide that has been adjudicated upon by the Clean Environment Commission. The reason for an appeal to the Minister is that we felt that environmental consideration should be decided upon by the Board, and that they would not therefore try to modify their environmental decisions by figuring out whether it's going to hurt the applicant because it's going to throw him out of business, or whether it's going to hurt a community, such as Selkirk, who have to put in a Sewage Treatment plant, that if there was going to be change in the rules for that reason that would be a political decision, not an environmental decision. That's the reason for the appeal. So I tell the honourable member that - I believe there is a letter on my desk from a doctor about a child of Mrs. Stein and the toxic effects of the drug. It is not the kind of consideration that goes into my decision on an appeal. That is something that we have allowed to the discretion of the Clean Environment Commission.

MR. CHAIRMAN (Mr. Jenkins): The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I wonder if the Minister would be able to indicate that in light of the disputes that centre around that particular issue of the use of chemical spraying, and the kind of evidence that has been presented outside of the jurisdictions in terms of different medical people indicating that there may be health problems associated with spraying, whether the Minister's department is, or the Minister himself is trying to initiate any kind of corrective activity, such as sitting down with the City of Winnipeg officials and looking at alternatives, examining the use of alternative forms of pest control, trying to perhaps even revise certain of the environmental standards that are being used, or the laws themselves, in terms of this particular area. Could the Minister indicate whether there has been any decision taken to open this case and see if there can be better protection afforded in an area which it seems from the reports and evidence that - even from the people who are using the chemicals themselves in the City of Winnipeg Public Works Department - where there seemed to be some major differences of view even, as I gather, resulting in a fair degree of direct confrontation, that it seemed to be an issue that really requires a serious re-examination and investigation.

MR. GREEN: Well the honourable member is a great optimist. He thinks that there must of necessity be a way of resolving this dispute, and that, you see, that if we did the other thing that the dispute would be resolved. But I am not satisfied that that is the case. For instance, I am not satisfied that if we banned all spraying that that would resolve the dispute. Last year it was the attempt to suggest that every mosquito bite was inflicted upon the populace of Manitoba by Sidney Green --(Interjection)--every single mosquito bite, that's right.

This year every caterpillar that is in existence was conceived by Sidney Green per se. Now the fact is that I am not satisfied that this kind of . . . The honourable member will not, or maybe he will, remember the fluoridation debate. That debate will never be resolved. There are people who insist that we are forcing them, unless they distill their water, to drink rat poison. You know, they said that, the fluoridationists were at Metro Council, or the anti-fluoridationists were there, insisting that we were poisoning the people and they wanted a referendum. So I said, "Well if their referendum was to poison the people would you then agree?" They said No, they just wanted a referendum to prove their position. If it didn't

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(MR. GREEN cont'd) prove their position they would still have the argument. I mean there was no way that I was going to accept the fact that if we were poisoning, then I would poison their referendum. If we were poisoning, I would not poison. With regard to this, yes, the specific question, the department has been looking at the various effectiveness of insecticides; they've been talking to the city; they've had an experimental program with Pinawa. They take the position before the hearing, as I understand it, that this drug is permitted, passed by federal authorities who have to regulate food and drugs and pesticides for use in accordance with the formula in which it is used, and that we have no reason to know that that use in accordance with that formula is not acceptable. If we had reason to know we would present it to the department.

But on the other hand the commission holds an inquiry, and they don't have only our evidence, they have evidence from doctors and academics and other people, who are very concerned with this, and then they make a decision. I'm not sure it's the right decision, but that is something that I could never be sure of. I mean it is the practical way of determining the problem. I believe that the elected representatives of the City of Winnipeg are not attempting to poison people. They too have a responsibility. I would hope that they as elected people are trying to exercise that responsibility in a reasonable manner. If we find that there is some difficulty in that connection, we will bring it to their attention. But ultimately they are an authority that is responsible to the public as well. When I say that, I have to say that just because there are some people who will never accept a decision, which is their right and their right to hope and try to convince others, it doesn't mean that every single objector has to be satisfied. I don't think that that will ever be. However, I know that there is all the sincerity in the world on everybody who is dealing with this question. I know that there is a great body of literature on it. We are not abandoning trying to find better and proper and more effective and less toxic drugs to deal with these questions, but I believe that our position on the last application before the Clean Environment Commission, that we have no reason to believe that if used in accordance with the requirements that were approved by the Federal Government, that these pesticides will not be a reasonable means of dealing with the problem of the cankerworms. Now if the spraying was not allowed and there was lots of cankerworms, and they were For instance, I had 30 people in my office yesterday who didn't spray, and this was a municipality that was told that they could have this problem but they didn't spray, and they were not being congratulated by those citizens, nor was I.

MR. AXWORTHY: Mr. Chairman, I'd like, if I may, just to pursue some of the points raised by the Minister. First, I don't think that anyone is necessarily suggesting that city officials are out to poison people. I think we are suggesting that at the present time, though, there seems to be increasing evidence that the methods of toxic spraying that have been used may have a number of ill-effects that haven't been determined, in part because of the lack of sophistication in medical science previously in terms of detecting these. I also believe that the testing that the Federal Food and Drug does isn't directly related to the toxic effects upon human beings in terms of wide-spread spraying over a certain period because it's pretty difficult to do when you're just using a chemical compound; it's looked at more in terms of its actual use as a chemical in a bag that is put in a machine. Now I could be clarified on that.

The thing that does concern me in part is the procedures of the Clean Environment Commission, that when there is an issue that has this kind of controversy to it - and I agree fully with the Minister that there are two sides to the case, maybe three or four sides to the case, and certainly several alternative ways of doing it - the thing that did concern me in those hearings is that there didn't seem to be any requirement for medical evidence to be presented, and as I understand those commission hearings, there was no direct statement on the medical or health effects of the spraying itself. And it would seem to me that in cases where you are dealing with a chemical, or even of any kind of material that may have a direct health impact, that perhaps one of the by-laws or rules of procedure of the commission would be to ensure that there is at least a source of medical opinion being expressed, and that rather than necessarily relying upon some public interested doctor to come forward Because it is my understanding, Mr. Chairman, that there really isn't perhaps in the City of Winnipeg at this point in time anyone who directly works, other than I think one or two people from the university who have some tangential relationship, but generally there isn't any serious medical research going on in the province in terms of these kinds of problems. And that's why I'm

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(MR. AXWORTHY cont'd)wondering, or suggesting, perhaps even recommending, that - because I don't pretend to know the facts either, and I think a lot of other people do - that we in effect perhaps are making decisions and the Clean Environment Commission is being forced to make decisions without full possession of absolutely essential data about the health impact or effects of these chemicals that are being used. It would seem to me that if the Environment Commission is in fact granting licences without proper medical information, then it would appear to me that that is an area of correction in the procedures of the Clean Environment Commission.

It may flow back, Mr. Chairman, into the activity of the Environmental Division of the department in terms of whether there is in a sense a public health component working in that department that would be able to supply that evidence, not necessarily making judgments, but at least be able to supply scientific evidence about toxic effects when it's used under certain conditions, under certain weather conditions and, you know, all the other kinds of things that go into making assessments of this kind. Because it seems to me that it's not something that we can pass over too lightly, because whether the protests themselves are taken seriously, the fact is that there has been examples in other cities, and I can think of Minneapolis for one, where I visited there about three weeks ago and met with certain people, and discovered that in fact the City of Minneapolis, which has experienced the same problem with cankerworm, has undertaken certain medical investigations, and as a result of that cancelled the use of methoxychlor and went to another chemical which is far less toxic - it didn't have the same toxic effect - simply because they were able, I gather, to produce some additional medical evidence to show them that methoxychlor itself as a chemical, as a particular kind of chemical, could have pretty serious damage on people who had respiratory diseases. While I'm not suggesting that you even stop spraying, I am suggesting that maybe there are alternative ways of dealing with the problem. Certainly I don't like worms or mosquitoes any more than any one else does, but I do believe that you don't provide the imperative to search out alternatives unless there is some fairly clear and hard scientific data to show that the method you're using may not be a very safe one. I do believe that it is the responsibility, either in terms of the requirements put down by the Clean Environment Commission itself for that kind of scientific data to be produced before it makes a decision and perhaps of the department itself, to have the means of producing that evidence when required.

MR. GREEN: Well, Mr. Chairman, the honourable member makes some good observations, and I assure him that they will be taken into consideration in dealing with this question.

I want to table the annual report of the Clean Environment Commission for 1974 and I presume that it is being distributed. The copies for distribution. It's not a report, Mr. Chairman, that requires to be tabled in the House, so if I could table it at committee . . . --(Interjection)--Is it required by statute? I'm sorry then I'll have to table it this afternoon. In the meantime I want to distribute it.

Mr. Chairman, I wonder if I could have honourable members' indulgence for just one minute on another issue, because I promised the Honourable Member for Gladstone that I would get the licences with regard to hunting, and show the change in wording that was made. I have them now and I'll just read out the two to show the honourable member what change was made in 1974. Prior to 1974 the licence said, "obtained permission from the owner before hunting over private or posted land. It is an offense to hunt on posted land without permission." That was 1973. 1974, "It is contrary to the legal rights of the landowner for you to hunt on private land without permission from the owner. This applies whether or not the land is posted in accordance with the Wildlife Act. Posting of land should be regarded by you that hunting is prohibited." So there was a change, and the change was to the effect that there's no land that you can go on without the consent of the farmer. But posting indicates that you're not going to get that consent. So I just pass these over to the honourable member so that he can look at them. Now . . .that's it.

MR. CHAIRMAN: The Honourable Member for St. James.

MR. GEORGE MINAKER (St. James): Thank you, Mr. Chairman. I was happy to hear that the Minister's comments with regard to the Clean Environment Commission, or actually his department, is working fairly closely with the City of Winnipeg with regard to spraying, because I think that is an important thing that should be followed and continued as closely as possible, because I know from my personal experience when I was on City Council one of the

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(MR. MINAKER cont'd) problems was the long delivery of chemicals in trying to prepare oneself for the coming year in fighting the bugs in the city. I hope that close communication will continue so that if there are new techniques that can be incorporated in the next year's operation that the Clean Environment Commission will give far enough advance notices so that there won't be either a waste of chemicals that are no longer being allowed to be used, and also adequate time so that they can order the new chemicals, or whatever the method of technique will be for the next year.

One of the areas that comes under the Clean Environment Commission which we would like to raise some questions on right now, relates to the permit for landfill sites in rural Manitoba. And last year, I believe in the late fall or I guess you'd call it maybe . . . no it would be late fall, I believe Mr. Hawkins presented a paper to the 25th Annual Meeting of the Western Canada Water and Sewage Conference in Winnipeg, and in that paper, Mr. Chairman, there was some comments made with regard to the need for a solid waste regulation. I believe in the paper, Mr. Hawkins indicated that there should be two types of landfill sites: One if the population was over 5,000 that the site was serving, that they had certain specific regulations, I believe, they have to cover every night with six inches of dirt and compact, and there's no burning, and so forth; and also the other type for less than 5,000 was to cover once a week, or maybe every two weeks. We've been noticing in News Service releases, and I might comment that I guess the Clean Environment body does not come under the Minister's department but it is one department or body that does use the News Service. But at any rate, we have noticed from time to time that there is permits being granted and it appears that the regulation is now enforced. I wonder if the Minister can advise, has that regulation been passed, and when it was?

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: Mr. Chairman, the honourable member can't make me defensive about this. The Clean Environment Commission is an independent commission. I do not tell them what to do. They issue their own press releases. I do not have anything to do with the releases that are issued by the Clean . . . they are under my department, but I do not tell them how to operate. The Environmental Council you will find are under my department. They like to issue press releases too. They would be very annoyed if I said no you cannot because you are in my department. So when I was referring to the fact that we don't use the Information Services except when we wish them to distribute information for us, which we do from time to time, I was not suggesting that that is not available to the independent commissions established under the department.

There is, and you'll read in the Clean Environment report, that they are a little impatient with us as well in establishing regulations for landfill use. But they have been doing a good job with this. I mean that they are doing it on an application for application basis. The honourable member should know that in the development of any laws, there develops a common law and then it becomes codified. What we are doing is having a jurisprudence developed with regard to landfill of the very nature that he's talking about. That jurisprudence is done on a case by case basis and we will develop a regulation. I believe that the Clean Environment Commission indicates that there are only four regulations now passed, there might be slightly more than that, but that's true and that is not unexpected. The fact is that this is going to be a long drawn out process. In the meantime, there is a case by case analysis and that case by case analysis should be of some satisfaction to honourable members. It means that we're not doing it by Cabinet decree, we're doing it by an independent commission looking into every single case.

But the point made by the honourable member is a valid one. We have just considered two appeals, one from Wabowden and one from - that's another Wabowden affair because it has to do with land use - and the other one is Thompson. And in Thompson there was an order from the Clean Environment Commission which the City of Thompson appealed from because they felt that it was going to cost them too much money. They have a very bad land disposal or waste disposal system there, and we've calculated that it will cost them about \$4.00 per person, and that this is not out of the way from what it cost people in other areas to deal with it. It depends on the size of the community as the member has indicated. So that we have confirmed the Clean Environment Commission's order with regard to Thompson. I suppose there may be some problem there but we've done it. And Wabowden - it's a smaller community - we couldn't make the same requirements in that community as we made in the other

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(MR. GREEN cont'd)because of the cost per person.

MR. CHAIRMAN: The Honourable Member for St. James.

MR. MINAKER: Yes, thank you, Mr. Chairman, I'd like to continue on in the questioning on this subject if I might. I would gather then from the answer of the Minister that the actual regulation, the solid waste regulation has not been improved by Cabinet as yet in that the Clean Environment Commission are setting the regulations I guess under the authority of their Act, geared around this thinking.

My next question leads up to other items that were mentioned in the paper presented by Mr. Hawkins, and one, I think indicated that there's some 350 community dumps, I guess you'd call them, open dumps that are presently in operation in Manitoba. And from the paper one would get . . .the program being laid out that these would be closed down one by one and changed into either this limited type of landfill site, or if there was population over 5,000 a full operating type landfill site similar to, say, the City of Winnipeg or other areas like Brandon.

It also indicates in the paper, Mr. Chairman, that one of the major practices of getting rid of solid waste in Manitoba is the 45 gallon drum in the backyard of most of our country farms, where they burn it and dispose of the solids that are left either in a pit, or something, and for hygiene reasons this seems to be a practical and good approach. Yet in the two proposed systems - actually there's a third proposed system which I'll ask a question on as well - that there is elimination of all burning. Open burning. So I'm wondering if there is a regulation or a - I forget the legal terminology the Minister used about pre-regulation period, a testing period is what a layman would call it - is there a step or move on the part of the Clean Environment Commission to eliminate open burning in these barrels that are located on our farms in the country?

The next question obviously would lead to: is there an aim by the Environment Commission to eliminate all open burning? Because I can think of areas in the agricultural field at certain times of the year when the swath is burnt because of the problems that can be created by heavy swath, or the type of grain that you happen to be planting. I would hope that the commission would look at the, what I call the risk-benefit ratio - what risk are we having by allowing this open burning? What benefit do we gain if we stop it? What benefit do we lose if we stop it? I'm thinking in terms of the economies. Or if they now have people dumping in their backyards waste that should be actually burnt for hygiene reasons but because of the law they won't, or because of the vicinity they're located in, it might be difficult for collection and disposal.

So I hope the Minister will answer those particular questions. I have some more; maybe for efficiency, I can ask it after he replies if you like.

MR. GREEN: I'll try and be brief. It's not a testing period. What I said is that there is sort of a common law period where you decide cases, case by case, and a jurisprudence develops and then you codify it by making it a regulation that applies to everybody and then one doesn't have to apply case by case.

There are regulations being sent forward by the department with regard to waste disposal. They have not reached us and we have not yet dealt with them. I can tell the honourable member that we put pressure on the staff to bring forward regulations and they try to do it so as to protect the environment. We sometimes soften those regulations, so I couldn't tell you what the position will be until it's dealt with. We had one with regard to incinerators in apartment blocks. The departmental recommendation was much stronger than what we finally came out with in terms of old blocks versus new blocks, etc. Old blocks are still dealt with on a complaint basis. New blocks will be required to install different types of systems than have been causing some problem in various areas of the city. So we are in the process of making regulations in those areas.

With regard to open burning, the Clean Environment Commission has ruled out open burning in various types of establishments such as waste disposal and the automotive wrecking institutions that used to do open burning. They haven't made general laws with regard to open burning and certainly the farmer who burns the swath you know, that is not something that I ever see them getting into. There is no regulations that we have with regard to that. If there was a complaint, they would have to deal with it. I don't know how they would deal with it, but I expect they would deal with it in a reasonable manner. If it caused him great inconvenience

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(MR. GREEN cont'd) even though it was an environmentally sound practice, then it would be subject to appeal to the Lieutenant-Governor-in-Council and we would have to deal with it.

MR. CHAIRMAN: The Honourable Member for St. James.

MR. MINAKER: Yes, Mr. Chairman, further in the report or in the paper presented, there's indication of another method of waste disposal and that was what Mr. Hawkins called "containerized systems." My understanding, this was a system where if you had a low populated area that couldn't, you know, physically afford or wasn't practical to locate even a modified land-fill system that at sort of isolated stations there would be these eight yard containers like we see - I forget the name of the company that has them with the industrial pickup - that people could convey their waste to this station and dump it into the eight yard container and then weekly it would be picked up by a collection group that would travel throughout the area and then it would go back to a modified land-fill site and so forth. I wonder are there any intentions of the department or the Clean Environment Commission at this time to try to enforce something like this or what stage is this particular approach at.

MR. GREEN: Mr. Chairman, I'm sorry, I didn't hear Mr. Hawkins and not everything that is being sort of processed at the departmental level reaches my desk. I'm advised that this is one of the alternatives that is being studied and that there is no . . . I can't at this time say that it would be part of a regulation. If it's feasible, if it would be an improvement, it's the kind of thing that the Member for Fort Rouge was talking about, we are continually in the basis of researching ways of dealing with contaminants to the air, land or water. This would be a land contaminant and the program that you talk about is in the process of being researched.

MR. MINAKER: Mr. Hawkins went further on to say with regard to the solid waste disposal and regulations, etc., that in the case of eliminating existing open dumps that possibly - well I'll read verbatim - is that the extent of boundaries of the regional system must be first established; in other words set a region where you can have a dump for it, or a land-fill site. Then he says: "With the establishment of the boundaries of the region, it then becomes necessary to set up a regional authority who will be responsible to institute the solid waste management plan, determine the alternatives, manage the solid waste systems. Such a body could contain representatives from all the local governments that are involved and additional personnel with technical knowledge of solid waste methods." Now is that in operation anywhere that you know of, because one would think this is taken verbatim from the Planning Act that we have or a regional government type of approach to the thing?

MR. GREEN: Mr. Chairman, I can't vouch for it but I would bet dollars to doughnuts that there is absolutely no sort of liaison in discussion between the one and the other. They are merely coming to the same sort of logical conclusion, which logic does not necessarily implement itself in something which the people in the areas are willing to accept. This is merely a person and a research organization who is saying how you can deal with these questions. It has not been discussed at the political level at all.

MR. MINAKER: Mr. Chairman, could the Clean Environment Commission enforce such a situation occur with the powers they have at the present time and particularly with the issuance of their permits on land fill?

MR. GREEN: I see no way in which the Clean Environment Commission could require a regional authority. The Clean Environment Commission has to accept or reject applications and if a person makes an application to be able to dispose of waste and presents a program which is environmentally sound, then they would approve that program. They would not be able to say, if you go into regions and develop an authority, you will be able to do it in a better way. I mean I would think that that would be a stretching of their responsibility beyond what they would want to stretch it. I'm not able to say what type of order they would make. I mean last year they made an order which we did tell them was - well we referred it to the Municipal Board and it was an involvement in city administration. I mean they were tell the city how to do the programs and really climbing into the city government and that order was changed. But I really don't think that they would go that far and if they did then we would have to look at that type of order and see whether it is consistent with political policy in the Province of Manitoba.

MR. CHAIRMAN: The Honourable Member for Minnedosa.

SUPPLY - MINES AND RESOURCES

MR. DAVID BLAKE (Minnedosa): Mr. Chairman, I wonder if the Minister might provide some information to the House on a specific case - and I'm referring to the Local Government District of Park in their land-fill site near Onanole. There is an Order No. 6 on Page 18 of the report that I would suspect covers it. --(Interjection)--On Page 18, Order No. 6 - I should say Order No. 341 but it's No. 6 on the page, Local Government District of Park, describing limits in connection with the operation of waste disposal ground near Onanole. They received some direction from the commission which the requirements were pretty stringent and extremely difficult for them to carry out, you know, such as a machine to deliver six inches of compacted earth each day and then at the end of it two feet and they had to have a chain link fence and a locked gate and an attendant there at certain times, and the regulations for a remote area such as that that had been operating for some time and it was a long way off the highway and there were no problems under the existing operation of the land-fill site other than the fact that with our up-to-date and more modern regulations it just didn't fill the bill. They continued considerable dialogue with the commission but were subsequently charged in Court of Minnedosa and fined \$150 for refusing to meet the requirements or standards set down by the commission. I just wonder if the Minister might bring me up-to-date and provide some more information on that particular case.

MR. GREEN: Mr. Speaker, I don't know, I'm afraid I am not going to be of much assistance to the honourable member. He has provided more information than I could have if I had taken my feet earlier. We do want orders, we do want enforcements, we have been criticized sometimes for not enforcing. I would say that if the area has a problem with the order, they can apply for a revision of the order, they can then appeal to the Minister if they feel that that order is not realistic for a small community. But I don't recall that this one was appealed and I do not know whether they have asked for a revision. If they feel that the requirements are onerous, they can apply for a revision of the order. If the order is in place and they are not complying, we have been asked by members in this House, what are you doing to enforce these orders and we try to be reasonable. I know that Portage la Prairie - the Member for Portage is not here - has got a problem there which we're not getting compliance and we're not going to prosecute them today. I have written them, asking them what is there about it that makes it difficult for you to comply or let me know what your problems are. But if ultimately we have a sensible order, then we are going to have enforce compliance. That's what you people want in a Clean Environment Act. There's nobody who doesn't want it until there's a prosecution and there's no point in going through the exercise if we're not going to enforce it.

MR. CHAIRMAN: The Honourable Member for Minnedosa.

MR. BLAKE: Thank you, Mr. Chairman. I wonder if the Minister could just briefly let us know, have there been many prosecutions for infractions to certain regulations or in this particular case where my boys made a test case? Have there been others in connection with similar types of land fill?

MR. GREEN: There have not been a great number of prosecutions. There have been some. I don't know if Mr. Bowen is here. With regard to municipalities I suppose I could count them on the fingers of two hands, there wouldn't be ten prosecutions. Not that I'm aware of. Of individuals, there might be a couple of dozen over the year. We do not feel that prosecution is the best means of dealing with these problems. We use it only when we have failed to impress upon the person that there are rules that we expect compliance with. (Mr. Minaker, the Member for St. James, would like that article copied and returned.)

MR. BLAKE: Just one more question, Mr. Chairman, I wonder if the Minister could inform us, for areas that are required by the regulations, by the Act, to relocate their land-fill area at probably some considerable cost, and should probably be done properly with fence and all and equipment for compacting the earth and various other things that are required by the commission, is there any provision for providing financial assistance to enable the municipalities or the towns to do this?

MR. GREEN: Mr. Speaker, in the Legislature last year we passed a law which I did not at that time direct my attention to as dealing with the problem that you relate to. We passed a law that where there is a conflicting use with good environmental practices being exercised then the municipality could expropriate the land and relocate and we would pay 50 percent of the net cost of that activity. I suppose it could apply to use itself - I suppose - I am going out on a limb here, but I think it probably could apply.

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MR. CHAIRMAN: The Honourable Member for St. James.

MR. MINAKER: Mr. Chairman, I was going to change off the subject of land-fill sites. I don't know whether the Honourable Member from Riel was going to stay on that subject at this time. It still relates to Clean Environment Commission?

Mr. Chairman, through you to the Minister. There are certain areas where I believe the Federal Government has special laws and I wonder if the Minister can maybe clarify the confusion I have at this time in the area of pulp and paper mills. I believe that the Department of Environment of the Federal Government has certain laws and regulations covering the effluent disposal from these plants and I'm wondering how the Clean Environment Commission ties in on places like the two pulp and paper mills that we have in Manitoba, because I see that they are involved with mining - International Nickel and these other places on certain orders. I wonder if he could maybe clarify the particular situation with the pulp and paper mills.

MR. GREEN: Mr. Chairman, the jurisdiction with regard to environmental management is so broad as to permit any jurisdiction to deal with almost any question and it's for that reason that the Federal and Provincial governments had meetings for the past two years trying to have an understanding as to just what is going to be done. The Federal Government can easily involve themselves in the pulp and paper effluence by the Fisheries Act, and they do. They have passed laws under the Fisheries Act which we are required to comply with. An application could then be made to the Clean Environment Commission on the same effluent in Manitoba's jurisdiction over emissions into the water. We could set stricter standards, we couldn't set less strict standards because the Fisheries Act would then apply.

The Federal Government has also jurisdiction with regard to interprovincial waters; they have got jurisdiction with regard to interprovincial air and I suppose, you know, ambient air is an area in which they have already set standards. They've got a Clean Water Act, a Clean Air Act, and if they wanted to they could pass criminal laws with regard to polluting the environment. Given those facts, the Federal Government and the provincial governments have been meeting for a period of two years - I think they met yesterday and Thursday in Edmonton and I was supposed to be there, for the purpose of signing an environmental accord. Madame Sauve was there, or at least she was supposed to be there, Dr. Bowen was not there, I could not go because of the activities of the House, but we are prepared to sign an environmental accord, and we are also prepared to be in continual liaison so that there is not a conflict of jurisdiction. But if you ask how they can do with it with pulp mills - under the Fisheries Act, and they have done so.

MR. MINAKER: Mr. Chairman, on the same subject. Does the Clean Environment Commission in those instances dealing with pulp and paper mills, use the standards that have been set by the federal agency as far as the quality of water etc., or do they have their own separate standards?

MR. GREEN: They could only set stricter standards and I do not know that they have done that. I think the Clean Environment Commission some years ago considered CFI and there were standards set and I hope that they are being complied with. But for practical effects they can only set stricter standards because if they set a less strict standard then the Fisheries Act would apply.

MR. MINAKER: Mr. Chairman, on that subject of Churchill Forest Industries, I believe that CFI was operating under a special permit from the federal agency with regard to their effluence at the plant, and I believe that that particular permit or licence, I'm not sure of the proper terminology, was to expire as of January 1, 1975. Can the Honourable Minister advise me if the permit has expired, and that CFI finally met the standards of the Federal Government with this regard, or was there an extension of that permit, or was it necessary?

INTRODUCTION OF GUESTS

MR. CHAIRMAN: I wonder, just before I recognize the Minister if I could draw the attention of the honourable members to the gallery where we have 30 students Grade 6 standing of the Winnipegosis Elementary School under the direction of Mr. Serediuk and Mr. Solomon. This school is located in the constituency of the Honourable Member for Dauphin.

On behalf of the honourable members of the Assembly I welcome you here this morning.

SUPPLY - MINES AND RESOURCES (Cont'd)

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: Mr. Chairman, I will really have to take that one as notice to determine whether they are. I believe that they did install considerable equipment to bring up their standards from what was originally expected and that they were considered satisfactory, but as to the state of the permit, etc., I'll have to take it as notice.

MR. CHAIRMAN: Resolution . . . The Honourable Member for Riel.

MR. CRAIK: Mr. Chairman, I won't hold up the Committee's work here very long. I want to refer though to the work of the Clean Environment Commission, and make a comment that their work has become more important every year, and they get into issues which are of extreme importance as far as members of the Legislature are concerned, and I'll refer to one current one in particular, which is the use of methoxychlor and other chemicals that are very controversial, and the Clean Environment Commission has to deal with these. But as members of the Legislature we're caught in the position - I say caught in the position because we are in fact caught in the position of getting two sides of a story on a very technical case, and we're really not equipped to judge them in most cases. But I want to suggest that the Commission here is spending, must be spending, more and more time on this sort of thing. I see they've had 25 regular meetings, 3 special meetings, each meeting being one to four days duration. Now that suggests that they're probably spending 75 days a year or so in deliberation on these environmental issues. I think that consideration should be given to the appearance before the Public Utilities Committee of the Clean Environment Commission, in particular probably its Chairman or Chief officer, or both, to allow an opportunity for direct exchange with members of the Legislature on some of these more controversial issues.

I would suggest here that the one in particular that offers the greatest problem right now is the use of chemicals for control of mosquitoes and worms and the ones revolving around, the issues revolving around particularly the use of methoxychlor. Now I don't think any of us are really equipped to pass judgment on these things, and I don't think we should really be in the position of the system having to depend on the presentation of this kind of information through the Minister, because it is technical information and it's important, and we should be able to get it at first hand. So I want to suggest here that from here on in consideration, and serious consideration, be given to having the Clean Environment Commission appear before a legislative committee, and I would assume that the Public Utilities Committee is probably the most logical one for them to appear before. I know that many people here have been exposed to this question of the use of methoxychlor and you know one person in particular, Mrs. Stein who has - I'm sure the Minister hasn't met her, but I'd be very happy to introduce him to Mrs. Stein, who presents an extremely cogent argument against the use of this chemical. And of course one can't you know, even carry on a valid conversation on the topic. You can only say, "Well your arguments are very sound." And they do make sense, she's got the research material to back her up. But I'm sure that there are arguments on the other side of the question that we don't hear, and this always happens, in particular, on environmental issues. It appears to happen on environmental issues more than any other field, and I think that to get down to a better system that it would be helpful if we had the Chairman of the Clean Environment Commission appear before Public Utilities so we could simply ask the question: "What evidence do you have on both sides of this question so that we can come to some better objective decision as to whether something should be done?" Because we're left with the uneasy feeling, I'm sure, having looked at it, that there may be a very major problem but there may not be a very major problem, and you're left in the position of really not knowing, so this might help get to it. With this sort of intensity of study that they're putting into these things, you know, it looks like at least 75 days a year of that board, they should have a way of plugging into the legislative system a little differently than now.

MR. GREEN: Mr. Chairman, I would ask the honourable member to consider his remarks and then I'm going to suggest what may be a good compromise. We have tried to establish a Clean Environment Commission as a quasi-judicial commission. We have absolutely no involvement in their activities except the ultimate power of appeal, and the power to set regulations, in which case the legislative process and the administrative process becomes the law, which is as it should be. As a quasi-judicial board I think it would be a mistake to take it into the political arena because I think that then they will become political profile people, and we should be the political profile people, and the board should try to maintain itself in a quasi-judicial position with us making the final decision.

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(MR. GREEN cont'd) . . .

Now having said that, the idea of having a better information and a dialogue on such a question as methoxychlor I'd welcome it too because I don't have all the information and I don't have all the answers, and Mrs. Stein is a person who is determined, and has certainly made all efforts to have her position established, which is what people who feel strongly about something should do.

Would it not be a better idea, and we have the mechanism for it, if let us say the Environment Council sponsored a seminar on pesticides and at that seminar there's nothing wrong, and it's been done before, judges have participated in seminars and said what they feel about certain questions, or how decisions are made, and they would not be assuming a political profile before a legislative committee. They would be engaged in an informational seminar on a program which has reached high profile. So we have a former president of the Environmental Council, and I suppose I as Minister could encourage the Environmental Council to engage in a program. They did one on the Churchill River Diversion, they did one on the Garrison Diversion, and this is something that we have encouraged in the Environmental Council, and I think that members of the Legislature could then participate in this seminar and get a much better grounding of the subject than they have now. But I am reluctant to have the Clean Environment Commission reporting to the Legislature because then all of their activities are gauged to what is going to happen when they come to a political arena, and I believe that that affects their activities. I believe that that affected the Water Commission's activities.

MR. CHAIRMAN: The Honourable Member for Riel.

MR. CRAIK: Well, Mr. Chairman, I'll only say that, you know, seminars, and so on, are useful, particularly to people that go to the seminars, and their results get distributed but then who reads them? That's the problem with a seminar. But the odd person does, but here the problem is to take 57 members of the Legislature, you take the diversity of things that they have to have some sort of a working knowledge of and divide up the number of hours they have in a year, and it's not possible to take two days, three days, and so on, to sit through a seminar in one specific area. But coming to a committee is quite different. I'm not concerned about it being political. If a thing is important it should take a high profile, and environment is in this day and age, you know, an extremely important matter. All I'm trying to do is suggest a mechanism here where you can take a complicated topic and force it to be boiled down to a position where the legislative members can say to one or two individuals, what are the two sides to this question and what is your judgment on it? And that's all I want is to try and make a more effective system for getting answers to problems that we're faced with. If you went to a two day seminar on pesticides, I'm sure that any member that went there would come out as confused as he went in because they don't tend to come to conclusions, all you do is get a wide range of opinions, and then you're still left in the position of having to take a number of very wide spectrum details and again being put in the position of an administrator yourself and making your conclusions. You just don't have the time to do it. So the legislative committee idea is set up specifically to reverse the funnel, to bring the funnel down to the point where the members of the Legislature can ask the questions they want in a fairly short period of time, and decide whether action is necessary at that particular time. You know, it's a case of just trying to arrive at a go, no go situation rather than trying to gain a wide-ranging informational sort of input. So I still think that they're two different things. This thing has gone far enough now that it should be somehow plugging in more effectively or directly into the legislative process.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I wonder if I might comment on this particular position having acted as Chairman of the Environmental Council for about two years, that I think that the Minister's idea has some real merit. First because I'm somewhat surprised at the Member for Riel suggesting that every time he walks away from the Legislative Committee everything is absolutely clear and unequivocal. I have found times when there has been a high degree of diffuseness and lack of resolution of issues at the Legislative Committee, and I don't know if he's attending the same ones I am, but I find that oftentimes while they have very essential purposes for digging into the activities of government, they may not always be the best vehicle for insuring that there is a proper and dispassionate discussion of issues.

But I would say that in the role of the Environmental Council my understanding as a Chairman, when I was there, and I think that since then it has even gone much further, is to provide

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(MR. AXWORTHY cont'd) . . . a forum not just for private citizens but for legislators as well, and that if the Minister hasn't received it, I'm surprised he hasn't because I think every other member has received. For example, a fairly comprehensive study that they did on the Garrison Diversion, which collected a great deal of the material that was in the public wheel and has provided much of the basis for argument. So that they have comprised and compressed much of the information, as they have on the Trizec issue, as they have, I believe, on some aspects of the Hydro issues and that one of the advantages I think it would be under those circumstances, and I think that if the Minister is prepared I'm sure the council itself would pick up on it.

If you were simply asking questions of members of the Clean Environment Commission, they themselves may not have a specific expertise in that area, particularly. In fact, they are also acting as arbitrators who are not experts themselves necessarily in that particular field. They are people who obviously have a wide understanding of environmental issues but are not necessarily detailed experts, let's say, in the fields of entomology, and so forth, and I think one of the advantages of using a council discussion - and I don't believe the member, at least as far as I know, has ever attended any of the council hearings that they have held, that if he has he would know that they're not just sort of common room faculty discussions. They usually involve very specific people both from government - I believe that the last session they had, they had Mr. Bateman from Manitoba Hydro presenting one side of the case on regulation, and some opponents, and in many cases they did get a clarification of issues and have a pretty good exchange. So that I think the idea of trying to provide a better understanding of the issue of chemicals and the use of pesticides is an essential one, but it would be of some value to try to use the services of the Manitoba Environment Council, I think both for the point of view that itself would be a useful forum. It might also provide a higher degree of significance to that council because I think that council could play a very important role in trying to be used as a way of generating public information and debate about environmental issues. If there was a certain reference from this body to it as a way of dealing with an issue that we're concerned about, it would indicate that there is some confidence being placed in that particular forum that has been set up under the environmental program which has partially been sort of in the shadows more than things like the Clean Environment Commission and yet it, itself, I think could play, and should play, as important a role as a forum for providing a meeting place in many cases between private citizens, experts, and legislators. It hasn't really played that role sufficiently to this point of providing that three-way exchange, and this might be a very appropriate issue for it to do it on.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Chairman, I'd just like to comment briefly on the proposal made by the Honourable Member for Riel that the Clean Environment Commission report to the Public Utilities Committee. I feel that this would be consistent with other arrangements that are made. We have an Economic Advisory Board which reports to a committee of the Legislature, and their report is received and it gives the members of the committee, and all members of this Legislature, an opportunity to ask questions about recommendations in their report. It seems to me that as a member of the Legislature, we are more and more being asked to comment on matters relating to the environment, and to matters of control, and if this report, for instance, were simply received by that committee and presented by the Chairman, then I would be able to ask the Chairman a question about his research into the use of chemicals, or whatever other matter I might feel that his additional knowledge would be helpful in my being able to comment on the problems in my constituency.

So I think that while the Minister has presented reasons for not making such a direct connection between the political process and the activities of this commission, there is some reason for making that arrangement and I think some useful purpose would be served by once a year having the chairman available to answer questions and to perhaps enlarge upon the proposals of his commission.

MR. CHAIRMAN: (The remainder of Resolution 78 and 79 were read and passed. Resolution 80, 3. (a) and (b) were read and passed)

(c)(1) - The Honourable Member for Riel.

MR. CRAIK: Mr. Chairman, in this area would the Minister indicate is this the area where he is recruiting the additional geologists to his department?

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MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: Yes, Mr. Speaker, this is the area and I went over the items previously.

MR. CRAIK: Could he indicate whether the number indicated in previous discussion is reasonably accurate?

MR. GREEN: Yes, Mr. Speaker, the number is reasonably accurate, but the bulk of them are with regard to the non-renewable resource evaluation program, 50 percent cost shared with the Government of Canada; and the DREE agreement, 50 percent cost shared with the Government of Canada. These are programs where the Federal Government has agreed to be involved. I think that they started with Saskatchewan. There is certain, I believe, political . . . had to do with the whole energy trade-off and price. etc., but we have taken advantage of that to ask for these two programs.

MR. CRAIK: Mr. Chairman, then if they're non-renewable resources are the qualifications of these people other than geologists?

MR. GREEN: Well there would be other people involved but there are geologists involved. There are others but there are geologists involved. Any program involves, then, an administration. It involves secretarial staff, it involves staff of that kind. But essentially it is a resources evaluation program.

MR. CHAIRMAN: (Remainder of Resolution 80 was read and passed) Resolution 81. Water Management, Administration (a)(1) - pass? The Honourable Member for Souris-Killarney.

MR. McKELLAR: I'd just like to say a word on this Water Management, and it's regarding the Souris River and the studies being made in conjunction with this. It was announced last summer, where a Minister attended a conference at Estevan along with myself, an announcement made at that time a study was going to be taken on the Souris River involving the Province of Saskatchewan, Manitoba and the Government of Canada. At that time there was nobody officially appointed to Chair the study and also the make-up of the people who would be on this particular commission that's going to study, and I just wondered if the Minister could inform me as to whether anybody has been appointed yet to study the Souris River?

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: Mr. Chairman, the usual procedure is for a study board to be set up. The Study Board is composed of people from the Federal Government, the Provincial Governments of Saskatchewan and Manitoba. Mr. Ness Mudry is our representative on the board.

MR. McKELLAR: How many members are on that Study Board, could you . . . ?

MR. GREEN: Well there would be one from Manitoba, one from Saskatchewan, one from the Federal Government. But then the Study Board has available to it the funds and the staff to --(Interjection)-- a Study Director has been appointed. Who's the Study Director? The Study Director is Mr. Ramsay who I believe was the Director of the Churchill River Study . . . subsequently became the Director.

MR. McKELLAR: Is there any particular length of time that this study will take or when the recommendations are going to be made to the three levels of government?

MR. GREEN: Three years, Mr. Speaker. But there are Study Board meetings and reports on an annual basis, is what I recall that we've had with the previous study.

MR. McKELLAR: I'm greatly interested in that because of the . . . this particular river has a great effect on the people in the Melita area, the American border this year, the flooding conditions and . . . two years in a row now these people have pretty well had to lose all their valuable agricultural land in this river. I know this might never happen again. It's one of those . . . mostly because of the large amount of snowfall in Saskatchewan and also in North Dakota.

I was just wondering if there was any temporary work that could be done, because I realize that after a study takes three years, it will take another three years for the government to decide what they're going to do and come up with the budgeting and finance and by that time it would be 1981 or 82 and we could have another flood or two, and these people would be in desperate straits again. I'm just wondering if there's any temporary crooks in the river or bits of scrub or something that's been piled up. Actually there's only about six inches to a foot of drop on a per mile basis there from the American border right through to, I would say, Hartney, Lauder - Hartney, actually in some places there's no drop at all and the waters just can't get away. From Souris to Wawanesa there's a drop of 200 feet in levels there and the water has no problem in getting away and also the banks are high and there's no problem there. Actually from Hartney to the

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(MR. McKELLAR cont'd) . . . border, the American border, is where the problem is.

Another problem in the area which I represent this year is Whitewater Lake. Whitewater Lake has been famous over the years for geese, duck, but this year it's famous for flooding and I don't know what the cause. All the water comes out of the Turtle Mountains into the Whitewater Lake, it flooded thousands and thousands of acres of pasture land and also some agricultural land and this in turn, the farmers have lost all their pasture around there and caused them some concern. Now there's no drainage out of the Whitewater Lake as I know it. The only drainage that might be taken is over into the Elgin Creek. I understand a study was made by PFRA at one time on this. But excessive rainfall last weekend caused further problem in Whitewater Lake and that whole general area and the council are quite concerned down there. I don't know, there really is nothing much anybody can do I realize that, but it's one of those most unusual problems. I just wondered if the PFRA study couldn't be made available to the councils out there to see whether it is even feasible to get some kind of drainage over into Elgin Creek to the north, finally it will go into the Souris River. I'm just wondering if this would be possible, some kind of study made of that?

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: Well, I appreciate the concerns of the honourable member because from time to time we have different places which seem to bear the brunt of flooding and it is true that the Souris Valley was a problem this year. Sometimes it's been the reverse, that has been a dry river. The department is examining to see whether there are any particular problems that can be zeroed in on such as outlet clearances, etc., but I'm not able to say at this point that that can be done. If there is a PFRA study available then I don't see any objection to making it available to the council.

We've had lots of suggestions as to how you deal with this, you know, but one person's suggestions is another person's problem. I've had one particular gentleman from that area who has the solution to the Souris River, except that that solution is not concurred in by people who I rely on as being engineering assistants, you know I have some confidence in the staff. I will not say that everything they say is right but at least I want them to be shown wrong before I change anything. The honourable member will recall that the St. Norbert people, for instance, they say that we don't know what we are talking about, but I say produce one engineer who says that we are wrong. And I have that problem because everybody believes that they can solve it if only given the opportunity. We are looking to see whether there are any quick steps that can be taken but I don't want to hold out any great optimism to the honourable member.

MR. McKELLAR: You know sometimes time is the best healer of a problem. It's quicker and cheaper sometimes than having a lot of government studies. But I got these two lakes, Pelican Lake and Whitewater Lake, and I don't know why I inherited both of them when I . . . 1969, but both these lakes have no drainage, no runoff. They're most unusual lakes and then all at once they explode, every once in awhile, and there's no place for the water to go except a little culvert on Pelican Lake. And in the case of Whitewater, there's no place, there's no runoff. So it does create many problems. It takes longer for it to evaporate and that's about the only way it can go up. is just up, there's no place for it to . . . So I realize that, but it's a great concern to the municipal council. I know the engineer, Mr. Wopnford, has been out in that area but I realize that it's one of those problems that can't be solved overnight or can't be solved in a year. The study is going to be completed. Now does this involve recreation and flooding? What's contained in the study? Like I'd like to know what . . .

MR. GREEN: Mr. Speaker, it's a comprehensive study which means it will deal with all water related questions such as irrigation, water quality, recreation. And when I say irrigation, honourable members will appreciate that the river flows from Saskatchewan to North Dakota and that might be an interesting question if Saskatchewan decides that they can use some of that basin for irrigation and then put the water into the Souris and have it flow down into the United States. Think of the possibilities of that.

MR. McKELLAR: Well then the study won't affect the American . . . like is the study going to be involved in the American section of the Souris River or does that just pertain to the Saskatchewan and Manitoba section?

MR. GREEN: The trouble is that they are all the same section. Sure we look at it from the point of view of Saskatchewan and Manitoba but then there will be people in North Dakota who will say why are we not conducting studies on what the Canadians are doing to our river.

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MR. CHAIRMAN: Resolution 81(a). The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Chairman, I have some questions I'd like to raise with the Honourable Minister regarding the Shellmouth Dam. The Minister is quite familiar with the problem because I already wrote him a letter to see if we can't resolve some of the difficult problems that have arisen since that structure was erected on the Assiniboine River.

I'm well aware of the priorities of the Water Rights Act of this province and I believe the first one is the domestic use of water, then municipal, industrial and irrigation, then comes other purposes. And of course the Shellmouth Dam was constructed under priorities as well and the first priority of the Shellmouth Dam at the time of its construction was flood control; the second priority was water storage and reserve storage for communities downstream such as Portage and Brandon, and the third priority was recreation. Unfortunately the experience of the last three of five years has been a most unfavourable one due to the flooding that has come about from the runoff in the area, and naturally, because the people in the area were led to believe that the future flooding problems would be resolved at the time that the structure was built, they now are most concerned and have experienced substantial losses over the years.

I've discussed it with the municipalities involved and with the people involved and I've wrote to the Minister. The possibility of diking is out, apparently it is not feasible to try and dike the area. The Minister has not been looking favourably on compensation for these people, so the other possibility that's left is the one of taking these farm lands out of production and possibly the Crown taking them and using it for other purposes. I don't know how the matter can be solved and I'm sure maybe the Minister hasn't arrived at a decision, but I think the experience of the five years that the Shellmouth Dam has been there, that they've been most unfavourable and I would think that it's time for us to take a look at it again, maybe change the priorities or try and see if we can't come up with some solution to the losses that are being experienced by those people, especially right below the dam. Maybe the Minister has something for me in this regard.

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: Mr. Chairman, the honourable member says that the people in the area were led to believe that there would be no flooding after the Shellmouth Dam. Who led them to believe that?

MR. MCKENZIE: The Federal Government.

MR. GREEN: It's not the Federal Government, that dam was requested by the . . . I don't believe that the former Minister of Mines and Resources or the former Conservative administration, I don't believe that the charge that you are making is an accurate one against that government, that they led these people to believe that there would be no flooding. They installed the dam and the dam is working with the same priorities as it had, and \$12 million was spent, six provincial, six federal, by these governments to - not to help those people - I don't want to appear so patronizing because this was a legitimate water resource, water control mechanism, and the fact is, Mr. Chairman, that I believe that the staff that I have, with all due respect to the Member for Roblin and the other member who talked on this, I believe it was the Member for Virden possibly, who said that they don't know what they're doing. You know, I will choose the Honourable Member for Roblin as a politician, but I will not choose him as an engineer to run the Shellmouth Dam. And he has criticized - I tell you that I have had nothing to do with the running of the Shellmouth Dam, it is running and being used as it was designed to be used. I have not said, well, let's put a little water in there and make McKenzie mad. Honestly, I have not done that. The figures that I have - and I say in the presence of the engineers because I say it to them whenever a delegation comes in, have you proved these people to be wrong? That's fine. I won't accept what they are saying. But here are the figures - and I'll give some of them to the honourable member and then tell him that this will be made available to him. This is with the Shellmouth Dam and without the Shellmouth Dam - like if it had not existed. With the Shellmouth Dam, the peak stage was 1344.2 feet at Russell; without it, it would have been 1347, that's four feet higher for 32 days as against 15 days. At St. Lazare, 1284 with the dam; 1287 without it - I'm dropping the decimals. At Miniota 1240 with the dam; 1242 without it - and in each case the number of days is really significant - 29 days without the Shellmouth Dam, 27 without it as against 6 with it. At Griswold 1196 as against 1199. Brandon 1172 as against 1175 - that's in 1972. Go to 1974 which was a bad year, I gather, a bad water year: 1341 as against 1348, you would have had

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(MR. GREEN cont'd) . . . 8 feet more of water without the dam. 1286 as against 1287 - the first one was Russell, the second one St. Lazare. Miniota 1243 as against 1243 - and the explanation there as to why it was the same was ice conditions. Griswold 1199 as against 1199. Brandon 1174 as against 1175. In each case with the dam first, without the dam second. In 1975 with the dam 1343, without 1348. St. Lazare 1285 with, 1287 without. Miniota 1239, 1243 without. Griswold 1198, 1199 without. Brandon 1173 with, 1176 without.

So the people in those areas have been well served by that wonderful program done under the previous administration with regard to that area. Having given them these breaks and having spent \$ 6 million of provincial and 6 million of federal to provide this type of relief - and it's not complete relief - I am not inclined to have a special compensation program for the people in that area. There are problems all over Manitoba. This is one where we have been able to reduce it somewhat, and there certainly is not going to be an additional input because we have provided that mechanism. So I don't accept the criticism that the member is making of his administration that they misled the people. I don't believe that they misled the people. I do not believe that the Member for Lakeside would have told the people that with this dam there will be no flooding because nobody can say that.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Chairman, I think the Minister is not being fair in making the accusations to the Member for Lakeside and I. We weren't in the Legislature when that control structure was designed and planned for the area.

MR. GREEN: Mr. Chairman, on a point of order. I didn't make the accusation. I said that they didn't do such a thing.

MR. MCKENZIE: But let me further the history of the project. The original project was supposed to be 10, 12 miles downstream - and the controversy that arose there, I don't know, it's in the record books. Subsequently it was decided to move the dam 10, 12 miles farther north and it was built there. And if the people in the area had been given the information of the future plans and the way it was going to handle itself today, they naturally would have protested, but they were led to believe that there would be some control and it hasn't turned out that way. So I'm satisfied that if the original intent was not to develop some kind of flood control, then the next priority, maybe number one, is to store water for the towns downstream, Portage and Brandon - maybe I have my priorities mixed up . . . and the third was recreation. I can certainly see the Minister's point regarding compensation, but then maybe it's - another possibility would be to advise those people that the future doesn't look very good, because there's a young farmer there just spent several thousands of dollars and bought a farm just below the dam and took it over this year and it's under water. Maybe we should advise the people below the dam that it's now classed as non-agricultural land and we'll no longer give them any protection from the dam - maybe that's the answer to it. Or the other possibility is to buy the land below the dam and say we'll take it over for hay land or grass land and no longer let them farm in there, and we'll be away from this annual problem.

MR. GREEN: Mr. Chairman, I'll just answer briefly. The fact is that in each case, I believe that the agricultural land is in a better position than it would have been had there been no program. Secondly, I have to withdraw. It wasn't the Member for Lakeside, it was some previous Minister of Mines. --(Interjection)-- Well I don't believe Mr. Hutton would have deceived the people. That's right. I don't believe that he would have. I believe that the people will try to make the best of any situation that they have and if they have water on their land and can try to attribute it to the government, they will do so - and that we do not have to get shook up every time that happens.

With regard to buying land, the government has a land lease program. Maybe they will sell their land to the government under this program.

MR. CHAIRMAN: The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Chairman. I listened with considerable interest to the Mines Minister when he was talking about this program here - and let's get the record straight. I don't believe that people are unhappy with the Shellmouth Dam. It's the operation of the Shellmouth Dam that they are unhappy with. --(Interjection)-- Mr. Chairman, now let's get the record straight. The Shellmouth Dam ceases to function once water starts going over the spillway. And let's look at the record over the five years of operation of the Shellmouth Dam.

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(MR. GRAHAM cont'd) In three years, they have lost control of the Shellmouth Dam. The engineers - and certainly they have to work on estimates, but their failure to withdraw sufficient storage capacity behind the dam to allow for the spring run-off is the thing that has caused all the problem. We cannot deal with the Shellmouth Dam in isolation alone because we also have to look at the Qu'Appelle River and the Qu'Appelle River has seven structures on it which come under the Saskatchewan Government.

We have problems on the Qu'Appelle River as well and the Saskatchewan Qu'Appelle Valley Basin study group has brought forward recommendations and we are now in phase 2 which gives - and there is federal money available for channel improvements in Manitoba but we hear nothing from the Minister about doing anything to improve the channel in the Qu'Appelle Valley even though federal funding is available on a cost-sharing basis. But let's have the Minister give us what storage capacity there is behind the dam in total acre feet at the 14 foot below flood stage level and how much the reservoir will hold above that level and how much it will hold below that level, because so far we have not been allowing sufficient storage capacity behind that dam for the spring run-off. And this is where all the problem is. We don't know how much storage capacity there is once they get down below the 14 foot level. But if the Minister has that information, we would certainly appreciate it so we could maybe understand that they could take it down 40 feet and it would still provide very little additional capacity. We don't know. If he could give us those figures, then we could find out or make an assessment ourselves as to how much effective use we would get by drawing it down even further than the 14 feet that is the maximum they've drawn it down so far.

MR. GREEN: Mr. Chairman, one cannot speak of a water control works without also talking about its method of operation. I mean, one cannot be divorced from the other, and the method of operation of the Shellmouth Dam is as was conceived when the dam was put into existence. And with all due respect to the Member for Birtle-Russell, who has ideas and who has suggested them, I have to ultimately rely on the engineering advice I received from the department, and they indicate that that dam is being operated to its optimum advantage.

With regard to new control works as suggested by the Qu'Appelle Valley Study, there is an implementation program in the Province of Saskatchewan, and we will study an implementation program if it has cost benefits for us in the Province of Manitoba, but we don't intend to proceed with the program if it doesn't have a cost benefit ratio which is satisfactory to us.

MR. CHAIRMAN: I wonder if we could call it 12:30. Committee rise. Call in the Speaker.

Mr. Speaker, the Committee of Supply has considered certain resolutions and recommends them to the House and asks leave to sit again.

IN SESSION

MR. SPEAKER: Order please. The Honourable Member for Logan.

MR. JENKINS: Mr. Speaker, I beg to move, seconded by the Honourable Member for Point Douglas 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 . . . The Honourable House Leader first.

MR. GREEN: Yes. Mr. Speaker, there was a question as to whether we would meet tonight. Our intention is to meet to 5:30 and not meet tonight.

MR. SPEAKER: The hour of adjournment having arrived, the House is now adjourned and stands adjourned until 2:30 this afternoon. (Saturday)