

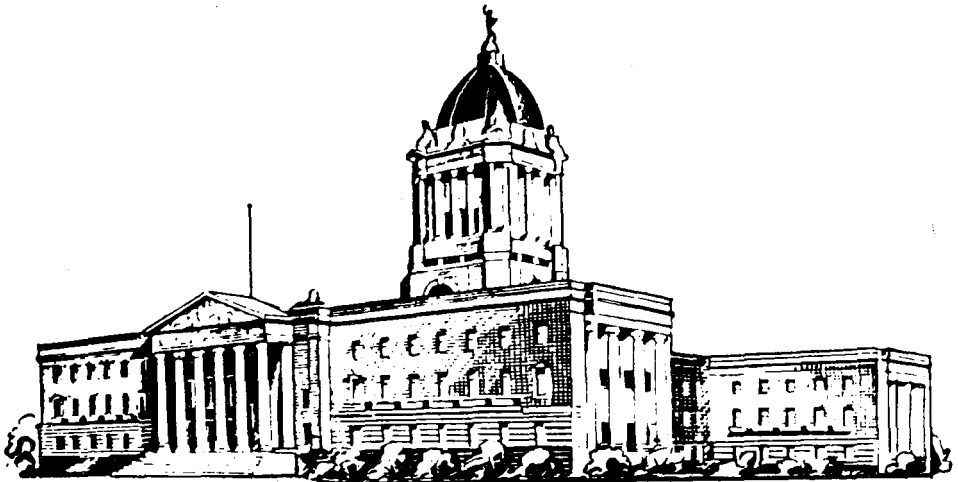


Legislative Assembly of Manitoba

DEBATES  
and  
PROCEEDINGS

Speaker

The Honourable Peter Fox



Vol. XXII No. 99 2:30 p.m., Tuesday, May 27th, 1975. Second Session, 30th Legislature.

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Electoral Division	Name	Political Affiliation	Address	Postal Code
ARTHUR	J. Douglas Watt	P.C.	Reston, Man.	ROM 1X0
ASSINIBOIA	Steve Patrick	Lib.	10 Red Roblin Pl., Winnipeg	R3J 3LB
BIRTLE-RUSSELL	Harry E. Graham	P.C.	Binscarth, Man.	ROJ OG0
BRANDON EAST	Hon. Leonard S. Evans	NDP	Legislative Bldg., Winnipeg	R3C 0VB
BRANDON WEST	Edward McGill	P.C.	2228 Princess Ave., Brandon	R7B 0H9
BURROWS	Hon. Ben Hanuschak	NDP	Legislative Bldg., Winnipeg	R3C 0VB
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FORT ROUGE	Lloyd Axworthy	Lib.	132 Osborne St. S., Winnipeg	R3L 1Y5
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GLADSTONE	James R. Ferguson	P.C.	Gladstone, Man.	ROJ 0T0
INKSTER	Hon. Sidney Green, Q.C.	NDP	Legislative Bldg., Winnipeg	R3C 0V8
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LA VERENDRYE	Bob Banman	P.C.	Steinbach, Man.	ROA 2A0
LOGAN	William Jenkins	NDP	1294 Erin St., Winnipeg	R3E 2S6
MINNEDOSA	David Blake	P.C.	Minnedosa, Man.	ROJ 1E0
MORRIS	Warner H. Jorgenson	P.C.	Morris, Man.	ROG 1K0
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PORTAGE LA PRAIRIE	Gordon E. Johnston	Lib.	26-120 - 6th St., S.E., Portage la Prairie, Man.	R1N 1E8
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RHINELAND	Arnold Brown	P.C.	Winkler, Man.	ROG 2X0
RIEL	Donald W. Craik	P.C.	3 River Lane, Winnipeg	R2M 3YB
RIVER HEIGHTS	Sidney Spivak, Q.C.	P.C.	Legislative Bldg., Winnipeg	R3C 0V8
ROBLIN	J. Wally McKenzie	P.C.	Inglis, Man.	ROJ 0X0
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ST. JAMES	George Minaker	P.C.	318 Ronald St., Winnipeg	R3J 3J8
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SPRINGFIELD	Hon. René E. Toupin	NDP	Legislative Bldg., Winnipeg	R3C 0V8
STURGEON CREEK	J. Frank Johnston	P.C.	310 Overdale St., Winnipeg	R3J 2G3
SWAN RIVER	James H. Bilton	P.C.	Swan River, Man.	ROL 1Z0
THE PAS	Hon. Ron McBryde	NDP	Legislative Bldg., Winnipeg	R3C 0V8
THOMPSON	Ken Dillen	NDP	84 Pintail Cres., Thompson	R8N 1A6
TRANSCONA	Hon. Russell Paulley	NDP	Legislative Bldg., Winnipeg	R3C 0V8
VIRDEN	Morris McGregor	P.C.	Kenton, Man.	ROM 0Z0
WELLINGTON	Philip M. Petursson	NDP	681 Banning St., Winnipeg	R3G 2G3
WINNIPEG CENTRE	Hon. J.R. (Bud) Boyce	NDP	Legislative Bldg., Winnipeg	R3C 0V8
WOLSELEY	Vacant			

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
2:30 o'clock, Tuesday, May 27, 1975

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the Honourable Members to the gallery where we have 18 students Grade 8 standing of the Moose Lake School. These students are under the direction of Mr. and Mrs. Pottage. This school is located in the constituency of the Honourable Member for The Pas, the Minister of Northern Affairs.

We have 25 students Grade 6 standing of the Crestview School under the direction of Mrs. Breckman. This school is located in the constituency of the Honourable Member for Assiniboia.

And we have 70 students Grade 6 standing of the Van Bellegham School under the direction of Mr. Chaput and Mrs. Bahuau. This school is located in the constituency of the Honourable Member for Riel.

And we have 50 students Grade 7 standing of the Laidlaw School under the direction of Mr. Mason and Mrs. Landry. This school is located in the constituency of the Honourable Member for Charleswood.

We also have 25 students Grade 7 and 8 standing of the Roland Lauze, Nelson House School. These students are under the direction of Mr. Sicinski and Miss Selby. This school is located in the constituency of the Honourable Member for Thompson.

On behalf of all the Honourable Members I welcome you here today.

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees. The Honourable Member for Thompson.

REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. KEN DILLEN (Thompson): Mr. Speaker, I beg to present the third report of the Standing Committee on Economic Development.

MR. CLERK: Your committee met on Tuesday, May 27, 1975, and examined the Annual Report of Manitoba Forestry Resources Ltd. for the year ended September 30, 1974. Having received all information desired by any member of the Committee from the President and Chairman of the Board, Mr. Leifur Hallgrimson, the report was adopted.

MR. SPEAKER: The Honourable Member for Thompson.

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

MOTION presented and carried.

MR. SPEAKER: Ministerial Statements and Tabling of Reports. The Honourable Attorney-General.

MINISTERIAL STATEMENTS AND TBLING OF REPORTS

HON. HOWARD PAWLEY (Attorney-General) (Selkirk): Mr. Speaker, I beg to table the Fourth Annual Report, Law Reform Commission 1975.

MR. SPEAKER: The Honourable Minister of Mines.

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, I have for tabling Returns to Orders of the House No. 13, 14, 15 and 16 on the motion of the Honourable the Member for St. James.

MR. SPEAKER: Thank you. Any other Ministerial Statements or Tabling of Reports. The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, I have here seven copies of an Order for Return No. 47 in the name of the Honourable Member for Morris - it's rather voluminous - for tabling.

MR. SPEAKER: The Honourable Minister of Health.

HON. LAURENT L. DESJARDINS (Minister of Health and Social Development) (St. Boniface): Mr. Speaker, I'd like to table the Return to the Order of the House No. 53. Because of the format this will be tabled with the Clerk and the members can get the information from the Clerk.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I have a report here under Section 20 of the Public Officers Act for tabling and a return under Section 13 of the Special Municipal and General Emergency Act.

## MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: Thank you. The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I would like to schedule for Thursday at 10:00 a meeting of the Economic Development Committee to hear the report of the Communities Economic Development Corporation Fund. I indicated that Mr. Parasiuk would be available. He is not available Thursday. I would like to proceed with Mr. Loxley giving the report, the present chairman, with the understanding that if there are questions of Mr. Parasiuk he will come back for the following meeting.

MR. SPEAKER: Agreed? (Agreed) Notices of Motion; Introduction of Bills; Questions; The Honourable Member for St. James.

ORAL QUESTIONS

MR. GEORGE MINAKER (St. James): Thank you, Mr. Speaker, my question is directed to the Honourable Minister of Industry and Commerce. In view of the announcement by CAE Aircraft Limited that they may close down next March 1st and that their staff will be reduced from 312 employees to 70 employees by August 1st, has the Minister been in contact with the Federal Government with regards to potential government contracts for this industry?

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East): Mr. Speaker, the subject of work for CAE has been an ongoing matter between ourselves and the CAE people, the management and the union and the Federal Government and we have strived for many years to attempt to bring about a favourable employment and work situation in terms of level of activity and I can only say it's an ongoing process to try to persuade Ottawa to bring as much work here as possible. But as you know there has been a recent decision to give certain work to Transair which has been detrimental to CAE, but nevertheless this work is coming to Winnipeg.

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

MR. MINAKER: A supplementary question to the same Minister, Mr. Speaker. Has the Minister been in contact with the Federal Government with regards to CAE and contract potential since the announcement of that contract back in the spring that another company would receive in the Winnipeg area?

MR. SPEAKER: The Honourable Minister.

MR. EVANS: Mr. Speaker, I've had a number of informal conversations with two Ministers in particular, the Honourable Minister of National Defence, Mr. James Richardson and the Minister of Supply and Service, Mr. Goyer. This is since the announcement to give the work to Transair, but these were informal discussions in Ottawa.

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

MR. MINAKER: Thank you, Mr. Speaker. Another supplementary question. In view of the fact that the Minister Mr. Goyer announced last February there would be additional good news for CAE of some type of work, has the Minister been in contact with Mr. Goyer to this effect and asked him what this type of work would be and when it would be forthcoming?

MR. SPEAKER: The Honourable Minister.

MR. EVANS: I believe there has been some communication between the department and staff in Ottawa but I haven't been advised of this so-called good news or however it may be described, as of yet.

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

MR. MINAKER: Mr. Speaker, to the same Minister. Could the Minister advise if he or someone from his department has been in contact with CAE following this recent announcement of apparent closure of the plant and also the reduction in staff to a relatively low level - has his department or himself been in contact with CAE or have they in turn been in contact with him to request assistance?

MR. SPEAKER: The Honourable Minister.

MR. EVANS: Well I have not been in contact personally, recently, but the staff have been maintaining a fairly close liaison with the management at CAE. I would have to check to just see what meetings have taken place and I can do so if the honourable member wishes to find out.

MR. SPEAKER: The Honourable Member for Minnedosa.

## ORAL QUESTIONS

MR. DAVID BLAKE (Minnedosa): Thank you, Mr. Speaker. My question is to the Honourable Minister responsible for the Public Insurance Corporation. I wonder if he can inform the House if the appointment of the agents to handle the general insurance lines has now been completed, and if so, how many agents have been appointed.

MR. SPEAKER: The Honourable Minister.

HON. BILLIE URUSKI (Minister for Manitoba Public Insurance Corporation) (St. George): Mr. Speaker, all the entire appointment of the agents, the applications submitted by the agents is not complete and I'll have to take the question as notice as to how many have applied and how many have been appointed and the like.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. BLAKE: Thank you, Mr. Speaker. I wonder if the Minister could advise the House when these appointments will be completed, if he has a target date.

MR. SPEAKER: The Honourable Minister.

MR. URUSKI: Mr. Speaker, they'll be appointed as soon as possible and I am not aware whether there are any applications that are coming in after the closing date. They will be considered as well.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. BLAKE: A supplementary again, Mr. Speaker, to the same Minister. I wonder if he could advise the House when he intends to conduct the school that has been announced for the agents to familiarize them with the new general insurance lines, because July 1st is the target date for going into the insurance business and the school should be conducted prior to that date.

MR. SPEAKER: The Honourable Minister.

MR. URUSKI: Mr. Speaker, as earlier indicated, the school will be held I believe June 19th is the date of the agency seminar for the agents and the agents will be appointed prior to that time and notified of their appointment.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I want to direct a question to the Minister of Agriculture but in his absence perhaps I could direct it to the Acting Minister of Agriculture, and ask him if he could inform the House whether or not Crocus Foods have received a permit to construct a whey plant in Selkirk?

MR. SPEAKER: The Honourable Minister.

MR. URUSKI: Mr. Speaker, I'll have to take that as notice. I'm not aware.

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, in my absence the Member for Portage la Prairie asked a question in connection with low alcohol beer. I would like to indicate to the honourable member that low alcohol beer has been supplied for some time in Alberta, British Columbia and Ontario and in Manitoba insofar as Uncle Ben's is concerned. It was the wish of the commission that this product which is made available in other provinces be also made available in the Province of Manitoba. So it was with the request of the Liquor Control Commission in Manitoba that this low alcohol content beer was made available in Manitoba.

Secondly, in connection with the question of sport events. This is being examined at the present time by the commission and there will be a policy announcement in connection with this in the not too distant future.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, I direct a question I believe to the Attorney-General. It's in relation to the lawsuits in relation to CFI. I wonder if he could tell the House why the lawsuit against the Arthur D. Little Company is not being pursued more aggressively.

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, to answer that question is to acknowledge that the lawsuit is not proceeding aggressively which I certainly am not in a position to accept. I will certainly check out the status of that lawsuit but not for a moment accepting the implication that it's not being proceeded with aggressively by the legal officers.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: A supplementary, Mr. Speaker. Would the Attorney-General not confirm that it's been in process now somewhere in the order of two years with no visible action to date?

## ORAL QUESTIONS

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, the other day I tabled an Order for Return No. 4 on the motion of the Honourable Member for Pembina and I would like, with leave, to table the return to companion order No. 3 on the motion of the Member for Pembina.

MR. SPEAKER: Thank you. The Honourable Member for Morris.

MR. WARNER H. JORGENSON (Morris): Mr. Speaker, I should like to direct my question to the Minister of Health and Social Development and it concerns the recent chocolate milkshake caper. I wonder if he could tell the House whether or not negotiations are being carried on between the provincial health authorities and the City of Winnipeg to determine who is going to be responsible for testing milkshakes in the City of Winnipeg.

MR. SPEAKER: The Honourable Minister of Health.

MR. DESJARDINS: Mr. Speaker, I took this question as notice yesterday and I haven't got the information yet.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed, let me direct the attention of the honourable members again to the gallery where we have 15 students from Brochet School under the direction of Mr. Henry Martens and Miss Doreen Funk. This school is located in the constituency of the Honourable Member for Churchill. I welcome you here.

I should also like to make one further announcement. Room 234 and a photographer are set up for those members who yesterday didn't have the opportunity to go in. Would they kindly take two minutes today to get their pictures taken. The Honourable Attorney-General.

ORAL QUESTIONS Cont'd

MR. PAWLEY: Mr. Speaker, I had hoped that the Honourable Member for Birtle-Russell would be here when I answered his question of yesterday but he can read it in the Hansard. Question re the hiring of liquor inspectors in the Manitoba Liquor Control Commission: Four have been hired within the last two or three weeks. Two of those positions were to replace vacant positions that had occurred at the Commission, two are new positions. And of course as honourable members are aware, the Liquor Control Commission does not operate through the Civil Service Commission and the hirings are not conducted by the commission itself.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I direct a question, I believe again to the Attorney-General in relation to an Order for Return regarding the legal fees in the CFI commission hearings. I wonder if he could advise whether we might soon expect the reply to the order.

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Yes, it's being worked on, Mr. Speaker, and I would hope we would have that very shortly. I also wanted to mention to the Honourable Member for Riel - he had asked a question which I took as notice in connection with the enforcement of the perimeter highway around the city. We are advised by the Police that there is no jurisdictional problem relating to enforcement along the perimeter.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, there seems to be a problem . . .

MR. SPEAKER: Question please.

MR. CRAIK: I wonder if the Attorney-General could perhaps pursue this a little further to see if maybe jurisdiction could not be firmly established as to who controls the operation of motorcycles and raceways along the right-of-way of the perimeter highway.

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: I certainly will. Certainly the information we had received is that there was not the RCMP responsibility but I would be delighted to obtain any specific particular information of where there was difficulties and to follow it through from there.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Mr. Speaker, I just have a further supplementary question to ask to the Attorney-General further to the question asked by the Honourable Member for Riel with respect to the order for returns on the legal fees paid to certain lawyers in respect to the CFI Commission hearings. Can he assure us that that return will be available prior to the June 25th by-elections?

## ORAL QUESTIONS

MR. SPEAKER: Orders of the Day. The Honourable Member for La Verendrye. Order please. ORDER! If the Honourable Member wishes to place a question he can stand up. If he can't let him leave. The Honourable Member for La Verendrye.

MR. BOB BANMAN (La Verendrye): Thank you, Mr. Speaker. I direct my question to the Minister of Tourism and Recreation, and would ask him if he could inform the House as to when the South Shore Road at Falcon Lake will be oiled?

MR. SPEAKER: The Honourable Minister of Tourism and Recreation.

HON. RENE TOUPIN (Minister of Tourism, Recreation and Cultural Affairs) (Springfield): Mr. Speaker, I can inform the honourable member while following his notice of question which he gave me yesterday, that there's no provisions within the estimates of the department to oil that stretch of road but once the weather condition is more clement it will be given a calcium chloride treatment.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, I direct a question to the Honourable the First Minister. On several occasions I've asked the Minister of Agriculture as to whether or not the government has made up their mind with respect to establishing a whey and milk processing plant at Selkirk and the answer has always been, not yet. Can the First Minister confirm that the notice given under this week's Gazette that the Crocus Food Products Limited has formally applied - made an application for the establishment of the whey plant at Selkirk. Does that indicate that the government has now made up their mind about their intentions of proceeding?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, as the Honourable Member for Lakeside knows, there are different paths leading to the same objective. It is my understanding that the modality of establishing a whey plant has not been specifically determined. I can advise him further that it is my understanding that the Milk Producers' Board has conveyed a request that the matter of a whey plant be pursued. The precise modality, however, has not been indicated by them either, as yet.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, one further supplementary question. I'm really not interested in finding out the many paths there are to building a milk plant. I'm simply asking the rather straightforward question as to whether the government has made up its mind as to desirability of establishing that milk plant. I say so because the notice in the application is under . . .

MR. SPEAKER: Question please.

MR. ENNS: . . . the signature of the Minister of Agriculture.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I can confirm that insofar as desirability is concerned there is no question in our minds. The point is what is the most rational and optimum method by which this should be done in terms of operating responsibility and the precise nature of the financing responsibility, etc. But in principle, there can be no doubt whatsoever.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I direct a question to the First Minister, and I'd like to ask him if Crocus Foods Limited have received a DREE grant from the Federal Government for this purpose?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, there cannot be confirmation of a DREE grant until there is a DREE application, and before that can be made there must be a working out of a precise nature and modality of the ownership, operational responsibility, etc.

MR. SPEAKER: The Honourable Member for . . .

MR. SCHREYER: I should perhaps revise that slightly. If there is a DREE application it is tentative subject to confirmation as to the other part of the entire proposal. But there has been no DREE confirmation received as yet, if that's what my honourable friend is referring to.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Speaker, in view of the answer the First Minister gave to my colleague from Lakeside in regard to the Milk Producers Marketing Board agreeing with the whey plant being built in Selkirk, I'd like to ask the Minister, has the Milk Producer's Marketing Board got the support of all the milk producers of Manitoba insofar as the whey

## ORAL QUESTIONS

(MR. EINARSON cont'd) . . . . processing plant is concerned in Selkirk?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, if my honourable friend means that to be taken literally, "all producers", I have no way of knowing that. I'd be rather surprised if they had the support of all producers, literally all, because I don't think anyone has.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. EINARSON: Well, Mr. Speaker, I should have probably chosen my words a little more carefully, and ask him now, did they have the majority of the milk producers of Manitoba?

MR. SCHREYER: Well, Mr. Speaker, when it comes to matters of definition of majorities and pluralities, I don't believe that it's possible to give a precise answer.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, my question is to the Honourable Minister of Industry and Commerce. Some time ago the Minister indicated that he had a departmental committee looking into the present marketing of gasoline in the province. Has that committee reported to the Minister yet?

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

MR. EVANS: Yes, Mr. Speaker, we've had an interim report, and the gist of the interim report was that we needed more information, so we are now surveying distributors of petroleum products in the province. We have not yet obtained all the information from these companies and when we do they will be tabulated and the information will be made available to the Energy Council and decisions will be forthcoming.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, my question is for the Honourable the Minister of Industry and Commerce, and relates to answers given in the House about ten days ago to questions on the designation of a carrier for the new commuter service to western Manitoba. Is the Minister now in a position to indicate the choice of a carrier to operate the SkyWest service?

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

MR. EVANS: No, Mr. Speaker.

MR. MCGILL: I wonder if the Minister would care now to speculate on when that announcement might be made, having announced previously he expected to make the announcement in one week.

MR. SPEAKER: Order please. The Honourable Member for St. James.

MR. MINAKER: Thank you, Mr. Speaker. My question is to the Minister responsible for MDC. In view of the fact that Saunders Aircraft has considerable contract work in the U.S., has the Minister given consideration to possibly some of this work being handled by CAE Aircraft in Winnipeg if they are capable of doing it?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I'm not aware of the precise work, but the nature of Saunders Aircraft and its activities at the present time is that we don't give work away to somebody else.

MR. MINAKER: Mr. Speaker, a supplementary question to the Minister. Would the Minister investigate to see if there is contractual work going to the United States, particularly for jigs and to see if possibly this type of work might not be handled by CAE Aircraft, because it would seem to be a solution to possibly the problem?

MR. GREEN: Mr. Speaker, I misunderstood the honourable member's question. I thought that he was making the unusual suggestion that work that we were doing should be contracted out to CAE. I will check the honourable member's question and take it as notice.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, a further question to the First Minister, in his expression of the desirability of establishing of the whey and milk plant at Selkirk, my question is, has the Minister of Agriculture passed on to him the resolution passed unanimously by the elected members of the Milk Producers Association of Manitoba rejecting the proposal?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, I have not been advised with respect to whatever communication may have been forwarded by the Winnipeg Milk Producers Association. I take



## ORAL QUESTIONS

(MR. SCHREYER cont'd) . . . . it he's referring to a milk shed group. All I can repeat with respect to the principle, that Manitoba is not alone. Just recently the Deputy Minister of Agriculture gave a speech at which he confirmed that it was somewhat of a pity that the tonnage of whey being produced is being spilled or wasted in the Province of Alberta. The same applies to any other jurisdiction where there is an inadequate processing capability.

MR. ENNS: Mr. Speaker, just one further supplementary question and by way of clarification, is the Manitoba Milk Producers Association representing producers across the province, not the Winnipeg District Association that has come to this decision? And my question to the First Minister is, in light of that decision - if he's not aware of it, then I would ask him to make himself aware of it - would he still indicate that it's imminently desirable to proceed in the manner in which the First Minister indicated?

MR. SCHREYER: Well, Mr. Speaker, as to modality, all representations with respect to as to how it should be looked at, but certainly it would be difficult for the government to extend any sympathy to anyone or any group that would question the desirability of having a whey processing capability, because it is not only an environmental problem, it is waste in the true sense of the word.

MR. ENNS: Mr. Chairman; one final supplementary question. I couldn't agree with the Honourable First Minister more, that it's a wasteful thing to just throw away the whey right now.

MR. SPEAKER: Question please.

MR. ENNS: Will he then permit the private sector, which has machinery in place in this province, to set up that machinery and recycle that whey product?

MR. SCHREYER: Well, Mr. Speaker, when speaking of the private sector, it may well be that it would be desirable. However, just so there is no unnecessary doubt, let me say in advance, that if it is being suggested that it be a component, a particular component of the private sector that already has in excess of half of the entire dairy market cornered, the answer is unequivocally no.

MR. SPEAKER: Order please. Order please. Order please. Order please. Order. Order please. If the honourable members wish to have a free-for-all I'll take a five-minute recess or a ten-minute recess. Order please. The Honourable Member for Rock Lake.

MR. EINARSON: Well, Mr. Speaker, this is serious business of the Province of Manitoba, and I direct a question to the First Minister.

MR. SPEAKER: Order please. Let me again suggest to the honourable members that the question period - order please - the question period will be conducted properly and with decorum, and anybody that wants to start making speeches better forget it, because it's not going to be allowed. Now if you have questions, they've got to be concise, to the point and brief, and the same with the answers. Order please! I am making this statement. If the honourable member wishes to have this Chair, he's entitled to it when he gets elected. Now let's start all over again. The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Speaker, I direct this question to the First Minister. In view of the answer as I understood him to give to the Member for Lakeside, when he went beyond the borders . . .

MR. SPEAKER: Question please.

MR. EINARSON: . . . of Manitoba, I ask the Minister, did he do any investigation as to the cheese plants that are operating in the Province of Saskatchewan - and I think of one in particular, Swift Current - can he tell us what happens to the whey in the cheese plant in Swift Current, is that taken over by the Provincial Government?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: I have no idea, Mr. Speaker. All I do know is that if there is utilization of whey, that is good; if there is wastage of whey by spilling, it is bad. It's almost as simple as that. Of course the matter of economics come into the matter, sir, and that's why I have taken some pains to explain to honourable gentlemen opposite that we are still looking very hard and closely at the various alternatives that are open to the dairy industry and to the government. I want to make it clear to the Honourable Member for Lakeside that the issue is not closed as to the method by which a whey processing plant will be proceeded with. It may involve the Crown, it could just as easily involve the private sector. But I want there to be no doubt whatsoever that if my honourable friends have a solicitude for one particular company of

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(MR. SCHREYER cont'd) . . . . the private sector, and if that company happens to have, because, Mr. Speaker - I am answering a question, Mr. Speaker - the answer is simply this, that by no means is it ruled out that there will be either by public or by private sector or a combination, there are three possible alternatives. What is not an open alternative, is the possibility of us putting even more of the dairy industry into the hands of one particular firm which already has over half of the dairy processing capacity in this province.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): Mr. Speaker, I have a question for the Honourable the Minister of Industry and Commerce. I wonder if the Honourable Minister can advise the House if he or his department has done any economic studies or feasibility studies that can give the members of the House some evidence that this proposed plant at Selkirk will produce a profit.

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

MR. EVANS: Mr. Speaker, I don't know where the Honourable Member for Roblin was during the estimates of the Department of Industry and Commerce, but we made it very clear at that time, we tried to make it very clear that the feasibility work and all economic studies were being conducted under the auspices of the Minister of Agriculture, because he was the Minister responsible for milk supply and control in this province.

MR. MCKENZIE: Well, Mr. Speaker, then I ask the Minister of Industry and Commerce if he's not concerned about an industry being established that will not produce a profit. The feasibility study shows no profit. Are you not concerned, are you not going to investigate it and check it out on behalf of the members of this Legislature?

MR. EVANS: Mr. Speaker, the honourable member is making an assumption which is completely unfounded.

MR. SPEAKER: The Honourable Member for La Verendrye. The Honourable Minister for Roblin.

MR. MCKENZIE: Mr. Speaker, then can I ask the Minister of Industry and Commerce if he can satisfy the members of the Legislature and the public, is Selkirk the right location for this plant?

MR. EVANS: Mr. Speaker, such questions as location and other matters pertaining to the economic feasibility will be determined by the economics of the matter. And as I said, I wish my colleague the Minister of Agriculture was here because he is the Minister responsible; that I'm sure he has every concern for economic rationality as the honourable member has.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. BOB BANMAN (La Verendrye): Thank you, Mr. Chairman, I direct my question to the Minister of Industry and Commerce and refer him to answers by the Honourable Donald Jamieson, Minister of Regional Economic Expansion to that of Mr. Epp in the House of Commons last week . . .

MR. SPEAKER: Question please.

MR. BANMAN: . . . and would ask him if the government is now doing a very careful analysis on the effect of the establishment of the whey processing plant in Selkirk on the rest of the industry.

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

ORDERS OF THE DAY - COMMITTEE SUBSTITUTION

MR. HARRY SHAFRANSKY (Radisson): Mr. Chairman, I wish to make a substitution on Economic Development Committee. Substitute the name of the Honourable Member for Churchill for that of the Minister of Northern Affairs.

MR. SPEAKER: Is it agreed? So ordered. The Honourable House Leader.

MR. GREEN: Mr. Speaker, would you please call Bill No. 16.

BILL NO. 16 - METALLIC MINERALS ROYALTY ACT

MR. SPEAKER: Proposed motion of the Honourable Minister of Mines. The Honourable Minister of Mines himself closing debate.

MR. GREEN: Mr. Speaker, this has been an interesting and unusual debate because of the manner in which it commenced and the manner in which it concluded. I believe I introduced second reading of Bill No. 16 with much the same introduction as I gave to Bill No. 82 last

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(MR. GREEN cont'd) . . . . year and indicated the objectives of the bill and what it sought to achieve. I also indicated, Mr. Speaker, that the government believed that it was entering into a new concept in taxation, one which would ensure to the public sector a fair return on the natural resources owned by the people of the province and which would also have built within it a reasonable return on the expectations of the people who made investments in this province during the period that they became corporate citizens.

I also indicated, Mr. Speaker, that this was the . . .

MR. SPEAKER: Order please.

MR. GREEN: . . . intention of the Bill 82 that was introduced last year and tried to assure honourable members that Bill 82 and Bill 16 were very closely related; that what we had done was put into precise language the concept of Bill 82 and also did some sophistication of the definitions that were in it. This is not a surprise, Mr. Speaker, because when I introduced Bill 82 I indicated that it was new conceptually, that it would not come into force until 1975, that what we were hoping to do was to adopt the principle of the bill, that in the meantime our monetary requirements in terms of royalties would be satisfied by an adjustment of the royalty base to 23 percent, and that by the time a year had elapsed if there were changes or other sophistications that were necessary with regard to the bill that they would be made the following year.

And in fact, Mr. Speaker, the mining industry at that time expressed the opinion that the objectives that the government sought seemed to be sensible ones, that the Bill 82 as then delivered would not accomplish these objectives, and they said what made tremendous good sense, Mr. Speaker. They said, you're going to get the money anyway, why don't you get the money which means you will have nothing to lose, spend a year's time perfecting your bill, which does not come into effect until 1975 in any event, and in 1975 you will be able to introduce it with these problem areas much more closely defined and dealt with. They also had some objection, Mr. Speaker, to the husbandry provisions of Bill 82 which they felt were unworkable.

Mr. Speaker, we did that. We made what I thought was a sensible response to the industry by saying, "Well that's fine, we'll wait a year and in the meantime we will collect the 23 percent in tax."

Mr. Speaker, for some reason that sensible response, and I believe it was a sensible response, was chosen to be made a backtracking and a capitulation in the face of the industry by the opposition speakers who didn't even speak to the bill in the legislature but then proceeded to show that they had succeeded in getting the government to retreat from a confiscatory mining piece of legislation, as they described it, and the news media in the City of Winnipeg, because they cannot accept anything as reasonable, chose to impute to the government suggestions about the withdrawal of the bill which really reflected on the integrity of the government. And somehow either the mining industry and one of the newspapers suggested that the government back down in the face of a threat that all the mines were going to close if we proceeded with Bill 82. And I tried, Mr. Speaker, to make the mining industry much more reasonable than the newspapers. Because no such suggestion was ever made, and had it been made it would have been very difficult to deal with Bill 82 in the sensible way in which it was proceeded with. But somehow, Mr. Speaker, the opposition members were more concerned with showing that there had been some type of retreat than looking at the sensible suggestions that were made in the bill and a sensible proposal of trying to patch up some of the problems that were associated with it in the year that it would have taken for it to come into effect in any event.

That's why I say that the debate was rather peculiar, Mr. Speaker, because when I introduced Bill 16 in the Legislature, the first reaction from those people who wish to try to discredit the government, and the Member for Lakeside immediately got up and said the government has capitulated, they have now abandoned their bill and now they have come in with something far more sensible, which is what we said they should have done. And the Winnipeg Free Press and the Winnipeg Tribune both said, "Thank God the government has shown some reason, that they have withdrawn their nefarious legislation and now they have come in with something sensible.

Now why did the debate start that way, Mr. Speaker - and it ended up by the way. That was the initial debating position. The Member for Fort Rouge was sensible enough not to get caught into such a trap because he took the position that the government's policy with regard

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(MR. GREEN cont'd) . . . . to the mining industry had been clearly spelt out and that we know where they are going. They are attempting to have much more public sector for participation and they are attempting to have a tax which will result in a better return than the people of the province had been using.

What caused this turn, Mr. Speaker, from the beginning of the debate to the end of debate that we heard yesterday from the Member for Birtle-Russell that Bill 16 is not only a retreat but it is worse than Bill 82. Now, Mr. Speaker, since Bill 82 was never in my opinion a bad bill, Bill 16 is not as bad as Bill 82 but it is at least as good as Bill 82, and I have never said anything to the contrary. As a matter of fact I have said that Bill 16 is a better bill than Bill 82 because it is precise in its definitions and it has concepts with regard to the basic tax which makes much more sense than Bill 82.

What are these concepts, Mr. Speaker? Under Bill 82 we said it would be based on history, that the basic tax would be based on a company's history, and the companies came and said, "Well how can you base it on history. We could have had a bad five years or we could have an exceptionally good five years and you are going to link us to that." And therefore, Mr. Speaker, we set up a task force. Task force is one word for it, or study group, or a group that was going to meet with the industry to try to find out what their concerns were. And we found out their concerns were as follows: They believed that rather than a basic year based on history that it should be based on investment capital in the Province of Manitoba and that a return on investment was a much more sensible guide than a return on industry. And we looked at it, we said "Yes that makes sense". But they said, Mr. Speaker, "But if you're going to calculate our investment do not calculate it on the dollar basis when it was invested, that would be unfair. That investment is worth at least what the inflationary period has done to that investment year." And therefore, Mr. Speaker, we said that the investment year would be adjusted by inflation and we responded, which I think is a legitimate response, if it is to be indexed by inflation to reflect current costs it also has to be indexed by depreciation to reflect current depreciation of the assets. So the formula that we made was very simple and people have said that this is a very complicated thing. There's nothing more simple than the formula - and every businessman can understand the concept - the formula to be precise and to eliminate any ministerial discretion. They look complicated on paper, Mr. Speaker, but they sum up to nothing more than the following. I want to advise honourable members that I believe I have the Department of Finance people and the Department of Mines people in the galleries, because I do not wish to say anything that is incorrect, and if I do say so they will advise me and I will correct myself as soon as I've had an opportunity to do so.

The tax is based as follows: One calculates what a company's investment is. One factors that by inflation to change it to today's year. One deducts depreciation and one is left with a figure. Let us take that figure as being \$100 million after those two adjustments have been made. Given an 18 percent return a company is permitted to make \$18 million at the 12-1/2 percent rate. After \$18 million they are beyond what is considered to be the basic level of income and they start paying royalty at a 35 percent rate. That is the entire concept of the tax. It is not a difficult method of calculating the royalty, it is rather a simple method of calculating the royalty.

Now then we get to what the honourable members say is the mechanics which they say has caused trouble and they have related that trouble to commitments that they have said that the government has made. What are these commitments that the mining corporation has made, you know, and it's interesting that they now look to the Minister of Mines, who they say they don't believe anyway, to say that he will abide by his commitments. And the reason they say that, Mr. Speaker, is that they know that it is true, that over the five years whatever relationship we have had with the mining industry it has been a steady consultative process; we have not always agreed but we have kept our understandings with them. We have done what we have said we seek to achieve. We have not done more and I hope we have not done less.

What we said is that the royalty would be calculated to achieve last year what the 23 percent achieved last year, and then we said it would only be approximate. That if there was an error we would allow for that error to be on the basis of getting more money not less money. Because we have a principle, Mr. Speaker, which I think is respected by the industry but which perhaps they have not guarded as closely as we have guarded. We have said that whatever principle we establish for the royalty tax, the overriding principle is that it will not be less

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(MR. GREEN cont'd) . . . . money. That we were not going to have a principle which resulted in less money coming from royalties than we had before; that our principle would have to result in more money. We said that the royalty tax under Bill 16 would be approximately what 23 percent got from the industry last year. We never said, nor do I accept any suggestion that we said, that the royalty will never bring in more money. As a matter of fact if honourable members will read our speech I said that the importance of this royalty tax is not only that it will result in a more stable form of taxation but that it will in the long run result in more money to the province. And there is no doubt that we were hoping that as the economic rents to the companies increased that the province would get a greater and greater share of those economic rents.

We never said of Bill 16 that it would produce what the 15 percent produced in previous years. Mr. Speaker, that principle was rejected by the companies. That's what Bill 82 did, that's what last year's bill did. Last year's bill took an average rate and said that the incremental royalty would come only after applying the average rate and the companies said that that was a bad concept so we decided to set a base year, and we set the base year as 1973-74 and we said that the new bill must realize to the province what 23 percent realized last year. But, Mr. Speaker, at all times when we said that, we were assuming that the mining companies would file taxation returns on the same basis as they filed it last year. And if that had occurred, Mr. Speaker, then here are the figures as supplied to me by the Department of Finance, and I will use only global figures.

In 1974 the 23 percent rate produced \$16 million, I'm using a round figure, \$16 million. In 1974 Bill 16 would have produced \$16,800,000 - and I say that there is an allowance there but it's not an outrageous allowance given the vagueries of filing returns. But that was calculated, Mr. Speaker, on the basis that the mining companies would continue to file returns and take depreciation in the same way as they would always take depreciation. Now the big change between those two figures - and I want the honourable members to grasp this because it's an important part of the bill - is that the mining companies now say basically that had Bill 16 been in effect in 1974, not only would they not have taken maximum depreciation, but in many cases they would have taken minimum depreciation and therefore Bill 16 would produce far more in 1973-74 than the 23 percent did. Mr. Speaker, that is only because the mining companies in filing that hypothetical return would have chosen to take less depreciation than they took when they filed the 23 percent. Now that's an interesting proposition. Why would a mining company want to pay more taxes and take less depreciation, because that is apparent what is being said will be the effect of Bill 16? And indeed, Mr. Speaker, it can have that effect. But the honourable members will agree that it's a very unusual kind of effect. For years the mining companies have been trying to get faster depreciation, they want 30 percent depreciation - and somebody told me 100 percent depreciation - that they have wanted more and more to file depreciation of their assets against their income so they would pay less tax. Why is it now that the tables are turned topsy-turvy and the mining companies say that they don't want to take depreciation? The reason is, Mr. Speaker, that their basic royalty is going to be based on their investment base, and to the extent that they continue to reduce their investment base by depreciation, they will increase their tax. But, Mr. Speaker, that is the technique that they have used to avoid paying higher taxes for the last ten years, on the basis that they have a depreciable asset which they are continually depreciating. Are all of those arguments that they have presented to various governments saying that they need high depreciation, which results in lower income, which results in lower returns, are they now to be thrown out of the window and become meaningless because the mining companies are faced with a new form of taxation?

Because, Mr. Speaker, the interesting feature of this tax is that the mining companies have said that if we take hypothetical examples and show continual depreciation of assets, we will eventually come to the position of the mining companies paying the 35 percent rate on everything because they have no assets left. Now of course that's not possible, because the depreciation that we have assigned in the Act is a 10 percent diminishing rate, which means that you never get to zero but it is true that you get down from your original tax base on one assumption that you are not really taking depreciation; which means that your asset has depreciated and has to be replaced but that you are taking depreciation only for the purpose of paying less taxes. Now that has not been the concept of depreciation. The people who have argued for

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(MR. GREEN cont'd) . . . . depreciation, businesses and mining companies alike, have argued that the depreciation is a necessary reduction of the assets in order to either replace the assets or to get your money which you have put into it. And if all the money is depreciated and is taken out against income, Mr. Speaker, if that is done, then there is no investment base left; and if there is no investment base left and the money has left the province and has been charged against income to the continual deprecation of the tax base, then the company is making a very high rate of return because their rate of return is then based on a reduced investment in the province.

So I am able to say, Mr. Speaker, that despite all the mining companies' examples - and I say this in general, I can't be specific about every single return in every hypothetical company - but if the mining companies maintain their asset base in the Province of Manitoba and took the depreciation that they were allowed and reinvested it in the province and maintained their investment base and took their inflation, then - and did that continually - then Bill 16 would not achieve substantially more income than the 23 percent would have achieved, not only last year but in future years. If on the other hand, Mr. Speaker, they reduce their asset base through depreciation, write it off against their income, and we are declaring a depreciable figure because the same argument that applied to the mining company now applies to the government - surely we are not to have an investment base where the depreciation of the company's assets is not taken into account at all - which means that they have an investment base which five years ago and four years ago and three years ago, they would have argued is not correct because they have been taking depreciation at high rates. But if they do that, Mr. Speaker, then indeed they will be paying more money. But why will they be paying more money? They will be paying more money because they have less of an investment base within the province, and that is certainly a reason for them paying more money. Because the tax is based on them using depreciation for the purpose for which they take depreciation, not to reduce their income but to replace their asset within the province. And if they did that, Mr. Speaker, and added inflation, and did it throughout, then the 23 percent and the 16 percent are comparable. But let us recall that I never said that they would be entirely comparable and that they would be comparable into the future. I said the tax base would be based on last year's 23 percent producing roughly the same as Bill 16 would have produced. Now it's true it will produce more, but only on the basis of a change in the nature of the filing of the return by the mining company, not on the basis of the bill, of the filing, of the getting more income, but based on the return being filed in a different way or on the company just depleting its assets in the Province of Manitoba and not replacing the depreciation figures which it has written off as against its income either by the minimum allowance in the Act or by the maximum figure which they could choose.

So that was one commitment, Mr. Speaker, and I say that that commitment has been fulfilled, and nothing that Opposition members have said changes that. And I do not, Mr. Speaker, choose to be bound by commitments which I never made. And I never made a commitment that the tax would always realize what 23 percent would have realized, that the tax would not realize more than 15 percent realized five years ago. I made that as an objective in the introduction of Bill 82, which was completely rejected, but that wasn't a commitment with regard to Bill 16.

The other thing that has been said is that the government wishes the support of the industry or sought the support of the industry for the tax. Mr. Speaker, I never sought the support of the industry for the tax. There is nowhere where it could be demonstrated that I sought the support of the industry for the tax. What we did was try to enact what we said was a fair piece of legislation and which would stabilize taxation in the Province of Manitoba. And I specifically explained what I meant by stabilized taxation. I said we could go along at the 23 percent rate and that we could do what other provinces had done. We could say that when they're making it, we would increase the rate and bring in a tax bill that year to increase the rate, just as was done in the Province of Saskatchewan, just as was done in the Province of Alberta by the Progressive Conservative administration which increased the rate to 65 percent when the oil prices went up. And I said that better a company knew that the form of taxation itself provided for an automatic adjustment for the very good year, than that there be the constant wonder as to whether the same government or a new government would just come in and change the rate. And I say that the tax that we are now introducing has a better chance

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(MR. GREEN cont'd) . . . . of being maintained as a constant tax - and nobody could guarantee that, but the probabilities are better that this one will be maintained because it contains that automatic adjustment.

Now this business of industry support has really, Mr. Speaker, resulted again in a peculiar situation. It is now suggested, Mr. Speaker, that the mining companies responded to Bill 16 before it was distributed - I read it in a newspaper, and I guess they are trying to feed this type of information - that they responded to Mr. Schreyer's assurances, which were given on a Friday - by the way the bill was distributed on a Thursday - Mr. Schreyer answered questions at a press conference on a Friday which said that it was a sophisticated form of graduated mining taxes, and the mining companies responded on Monday or Sunday or Friday, but the bill was distributed on Thursday. And, Mr. Speaker, I suggest that they read the bill, and I suggest that there was nothing about the bill that was unusual to them, because the figures that were supplied to honourable members in this House, not in the actual form but in sample form, were giving to the mining industry at the early part of the session or before the session opened, and they knew what to expect in the bill. There was only one feature of it, Mr. Speaker, that they really didn't expect, and that feature was the feature that there would be a minimum depreciation of ten percent required by the government in the filing of all the returns. And why was that feature put in? I explained it when I introduced the bill. For years the mining companies have been taking as much depreciation as they could set off as against their income. When they argued us into an investment capital base, we had every indication, and we were correct, that they were going to stop taking depreciation. And if they stopped taking depreciation, Mr. Speaker, then if you took the investment base and added inflation every year, we would never hit the 35 percent rate and we would be getting less money than the 23 percent provided. Well, Mr. Speaker, I have said that there is one principle, and that principle is that the bill will not be less money. And we said immediately, that for all of these years the companies have taken depreciation, we won't require them to take the maximum but we will require them to take a reasonable depreciation, and a ten percent diminishing return is a reasonable depreciation. And if they took the money which they have written off against their income and replaced the boiler that they say that they have to depreciate, or the other feature of the mine that they said they have to depreciate, and their investment base did not go down then they could not claim the kind of increased taxes that they have said that they would get.

In any event, the mining industry responded rather favourably, but I never requested a favourable response. I at all times told them that I expect you to criticize this bill because I expect people to criticize a tax measure. I don't think anybody likes to pay taxes. I never requested, I never made a deal that there would be a favourable response. I never made any compromise on the basis that there would be a favourable response, but there was a generally favourable response. And the Member for Lakeside, misled by that response, got up and said, Well, government has backed down; Winnipeg Free Press said, Congratulations to the government, they backed down. You know, this I suppose is what they consider a compliment to the New Democratic Party. If the Winnipeg Tribune said, They backed down, congratulations; they backed down, congratulations. But a few weeks later, Mr. Speaker, they didn't back down. This is worse than Bill 82. And all of a sudden, Mr. Speaker, the speeches that were coming from the Conservative Party were not of the nature that came from the Member from Lakeside. All of a sudden the speeches came out, now what are you doing to our poor mining industry? And this is interesting, Mr. Speaker, because the most prejudicial statements made by the Conservative Party on this issue were not made by anybody in this House. They were made by an aspiring politician in the Conservative Party, the former Attorney-General, the Honourable Sterling Lyon. Because he went up North, Mr. Speaker - Sterling Lyon has my every respect - but with due respect to Sterling Lyon who went up North and said that he would not pass this type of legislation, that he would do everything to give incentives to the mining corporations of this province, that is ten years out of date. There is nobody in this country who talks that way any more. They all used to talk that way, they all used to say that in order to have the industry in the province, you have to give them incentive. But today, Mr. Speaker, whether they do it or not, the mining Minister in the Province of Ontario, the mining Minister in the Province of Quebec, the mining Minister in the Province of Alberta, all the mining Ministers in this country say that it is not our job to give incentives

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(MR. GREEN cont'd) . . . . to industry or give concessions to industry for the purpose of their producing, but to make sure that the public gets a fair return for its resource or that it will not be taken out of the ground. And if the Honourable Mr. Lyon wishes to go to the country on this basis, I say that he may be fully sincere, I have no objection about his sincerity, but he is wrong headed, Mr. Speaker, wrong headed because nobody talks that way any more, and the people in Thompson represented in this Chamber and the people in Flin Flon represented in this Chamber would not go for that type of policy. There has to be a policy of fair taxation, but it should not be based on lowering the industry, it should be based on receiving a fair return for the people of this province.

But in any event, Mr. Speaker, we had editorials in the Winnipeg Free Press on Monday or Tuesday saying, congratulations, we now have a sensible Act - and in the Winnipeg Tribune - and within two weeks, times have changed. Now we have again a doctrinaire socialist government, confiscatory legislation. Why did they change, Mr. Speaker? Which one of their mining experts read the bill? Which one of the mining experts, and everybody in the Conservative Party says, we admit that we cannot understand this? What changed? Well, Mr. Speaker, what changed is that, "Simon said no". And the honourable members of the Opposition and the Winnipeg Tribune and the Winnipeg Free Press are playing, "Simon says." And you know what "Simon says" is. That when Simon says you do it, you do it, and when anybody else says it, you do not do it. If the Minister of Mines says it, we don't believe him but Simon says it, it's right.

Mr. Speaker, the Mining Association of the Province of Manitoba is Simon. Simon says it was a good bill; the Conservatives, "it's a good bill"; the Winnipeg Tribune, "it's a good bill"; the Winnipeg Free Press, "it's a good bill." Simon says it's a bad bill; Winnipeg Free Press, "it's a bad bill"; Winnipeg Tribune, "it's a bad bill"; the Conservative Party, "it's a bad bill"; the Minister of Mines says it's a fair bill. Well it's not a fair bill, Simon didn't say it. The Minister of Mines says, next week it's Snakes and Ladders' legislation; last week it was Monopoly; today it's Simon says. Well, Mr. Speaker, that is the spectacle which has documented for all of the people of Manitoba with regard to this bill.

Simon says Bill 82 is withdrawn, Sid Green says it was never withdrawn. Simon says, Winnipeg Free Press says it was withdrawn; Tribune says it was withdrawn, the Conservatives say it was withdrawn. Simon says the government backed down. The Minister of Mines said we didn't back down. Simon says it, he did it. Simon says, it's a good bill, it's a good bill. Simon says it's a bad bill, it's a bad bill. And that is what is happening in this province. The honourable member is exasperated, he should be exasperated with himself, because this is what happened with this debate in the Province of Manitoba, and frankly, Mr. Speaker, I am fed up with it. I came to this House, I told you what our objectives were for the bill. I told you that I would postpone it a year to see what could happen with it. When I introduced it, I said we would be willing to introduce amendments if it did not comply with what we said it was to do. Mr. Speaker, in respect of that nobody, nobody from the Opposition is willing to listen to what the representatives of the people say, what the Ministers of the Crown, who happen to be, whether they like it or not, the spokesmen for the people of Manitoba: what they say that the bill is for; what they say that the bill will do; what they say the objectives were; what they say what the postponement was for - none of those things count, because it's not the Ministers of the Crown that they will listen to, but what Simon says they will listen to.

And Mr. Speaker, I say - and I am considerably fed up with this type of conduct, that the Leader of the Opposition says that only will they believe the Minister of Mines if we have a meeting where we will have the functionaries of the government and the functionaries of the mining companies get up and debate with each other so we can judge which is right. I tell the honourable members that no way will I degrade this Legislative Assembly to that type of activity. I am prepared to stand behind this legislation. I am prepared to stake my credibility with the people of this province against what Simon says, against what the Winnipeg Free Press says, against what the Winnipeg Tribune says and against what the Conservative party says. And I'm willing to go to the people of this province and tell them that this is what the bill means, this is what the bill will achieve. If there is a correction that somebody shows me that has to be made in order to obtain that, then I'm willing to consider it. But any suggestion that we are trying to slide something through is just not acceptable, Mr. Speaker, if you can convince the people of the province that that is the case, that is your choice, but I don't intend to help you.



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(MR. GREEN cont'd) . . . . I intend to introduce my legislation on my credibility, on what I say it says, and I'm willing to have you ask the people who are on our staff for detailed information as to how it works. But I'm not going to turn the Legislative Assembly into a conflict or a debate between the civil servants of the Crown and the civil servants of the mining companies. That I will not do. And I say that, Mr. Speaker, without any difficulty whatsoever. If I have made a mistake, if I have made a mistake - and I will admit that that is not only possible but likely from time to time - it has been using it in one clause of the bill. I said it was the Department of Finance who are most interested in this section and it really wasn't my bag. Mr. Speaker, I have to accept responsibility for the entire legislation.

I will say that what the Member for Brandon West is talking about was not in Bill 16, not in Bill 82. Bill 82 did not deal with the processing allowance. If I was trying to be closer to Bill 82, or if the mining company was happier with Bill 82 - and now it appears they are because it now deals with historical patterns, Bill 82 did not deal with processing. And these two things have now become the big argument, what they complain most loudly about. With regard to last year's bill, they are now saying it should be the concept of this year's bill. And I cannot be a dog forever chasing my tail. We can try to find out what the legitimate complaints of the industry are but we cannot, Mr. Speaker, try to satisfy the industry as was indicated by the Leader of the Opposition, who said that we did not seek the support of the mining companies. We sought to discuss with the mining industry what they felt were the problems inherent in the bill. We gave weight to many of those questions. And I can go further to show how we did that. But after they said that it was good, they changed their mind and said it was bad. The first thing we said we would do is to enact the volumetric tax, which would be a tax on the volume regardless of what the profit level. That was our announcement in 1974. They said, please, don't have a volumetric tax, have a tax on profit. So we introduced Bill 82 which was a tax on profit. It had an historical base plus an incremental base. So they said, please, do not have an historical base, have an investment base. We then produced an investment base; they said please don't have an investment base, have a base which establishes our investment and never lets it reduce.

Now I really think that that is a legitimate argument on behalf of the industry, but I do not know why because Simon says it, it makes it right. And when the Executive Director of the mining industry, who I have never sought to get agreements with, but who I have tried to relate to as a human being, said that we didn't believe him last year when he said that he wanted a fair tax, and we don't believe him this year, then I say to the mining industry, I reply in kind, that I as a representative of the people of Manitoba, a Minister of the Crown who speaks for the people in that respect, whether he likes it or not, says the people of Manitoba do not believe what the mining industry said last year and they do not believe them this year, because the mining industry has forever changed its position with regard to this piece of legislation. And if that is the way they wish to choose to deal with their representative then, Mr. Speaker, I say that the mining industry never put this government in power; they were against us before we came here, they are against us now, they will be against us whether we stand here. And whether they believe me or not is of no consequence to me, Mr. Speaker, because I don't believe them when they talk in that way. And they have no business talking in that way, because I've said nothing . . . --(Interjection)-- Mr. Speaker, I have said nothing which entitles Mr. Bloy to make that kind of remark. And if that is the way in which the debate is conducted, then I say, Mr. Speaker, that he has chosen his terms, I am ready to pick them up and continue on that basis. And if that is the way they want it, that is the way they will have it. The people of Manitoba, for whom I speak at this moment, do not believe the Mining Association of this province and have good reason not to believe them.

. . . . continued next page.

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(MR. GREEN cont'd)

Mr. Speaker, you know the program of the Conservative Party perhaps is to nationalize the mining industry. I mean they are shouting "nationalize it." I have indicated, Mr. Speaker, that there is in this bill a fair return for the mining industry. There is in this bill a fair return for the mining industry. And the fact that they do not believe us when we are saying we are trying to establish a bill which will result in fair taxation, is of absolutely no concern to me. The mining industry, Mr. Speaker, said that in last year's bill there was production control. There were no production controls. But Simon says there was production control, so the Winnipeg Free Press said there was production control and the Winnipeg Tribune said there was production control. They said, Mr. Speaker, that last year there was ministerial discretion in the bill. You notice how they were so worried about the autocratic Minister who was going to use this bill with all kinds of ministerial discretion, to somehow bring his will on the mining industry without having to come into the Legislature. Well, Mr. Speaker, I explained that the present Mines Act permits me to bring in this bill in the Cabinet, because there is complete discretion under existing mining legislation which I would not have to change to enact this bill as a Royalty regulation. And if I was what the mining industry complained about last year, I would have done that - it's there.

But we came to the Legislature and said we don't choose to use the ministerial authority, we believe that we have a good project, we want to introduce it to the Legislature and we want to get it passed. And there was no ministerial discretion that was in that bill that did not exist. But Simon said there was ministerial discretion of an horrendous nature, so if Simon says so, the Winnipeg Free Press said that there was ministerial discretion; the Winnipeg Tribune said there was ministerial discretion; the Member for Birtle-Russell says there was ministerial discretion; and the Leader of the Opposition says there was ministerial discretion. Why? Because Simon said it, and when Simon says it, you do it. And when somebody else says it, you do not do it. But the ministerial discretion is contained in that bill as it is right now. And still, Mr. Speaker, we choose not to use the ministerial discretion which I have available right now, we choose to use the Legislature, because what we are selling is a legitimate fair package of legislation.

And by the way, Mr. Speaker, I make the point now. I make the point now, that the real ill effects that this bill causes the mining industry, that they say causes the mining industry; that Simon says causes the mining industry, that this effect would not really reach significant proportions unless they depreciated and did not replace their assets for the next two years. And before the election, Mr. Speaker, before the next election and in this by-election, Simon can go to the people of Manitoba and see whether when Simon says this is bad legislation to the people of Manitoba, that the people will say Simon says it and therefore we will not do it. Because there will be an opportunity to change this legislation before it has what they anticipate to be some of those harmful effects. And I hope, Mr. Speaker, that in the next election in this province - and whether it's Sterling Lyon or whether it's the present Leader of the Opposition or whether it's the Member for Lakeside or any of the other possible contenders for Premier, I am prepared, Mr. Speaker, that that should be the issue as to whether the people of the Province of Manitoba should be the authors of their legislation which they judged to provide a fair return for the extraction of their mineral resources, or whether they will do what Simon says because there is a threat, as the Honourable Member for Riel says "nationalize the industry." Who says we want to nationalize the industry? I'll tell you what . . . When you talk that way, Mr. Speaker, I will give you the contrary. There should only be . . . --(Interjection)--

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: I never said that in reference to Bill 16.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Okay. The honourable member says that there must be, there must be . . . and that's what they shouted across the hall. I said I don't care what they think. What he is suggesting is that if we are to have a viable healthy mining industry in this province, we cannot say we will not do what Simon says. And Sterling Lyon has said that, that we have to give incentives, that we have to treat them nicely, and we cannot say we do not believe them. And when we talk to them, we must hold our hats in our hands, and bow and say, "by your leave, sir," otherwise they will leave and therefore we will have to nationalize the industry. Now I say that that is not necessary, that we are providing a decent way for the industry to

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(MR. GREEN cont'd) . . . survive in this province, unless, Mr. Speaker, unless it is their intention to confiscate without compensation the mineral resources of this province which they are now in charge of. Because that's the effect of their position. Their position makes sense, Mr. Speaker, only if you assume the following: only if you assume that for the next ten years, without reinvesting a penny in the province, without making any additions to plants or equipment, they intend to confiscate and run.

And, Mr. Speaker, if that is their intention, then I say that Bill 16 is much more necessary than I thought it was when I introduced it, because the people of Manitoba have no intention of letting the mining industry in this province confiscate the mineral wealth of this province without paying compensation for it. And that is the effect of what they are saying, because they will introduce hypothetical examples. They produce hypothetical examples which go for ten years, show their investment being written off and the mine ending. If you carry those examples through for 30 years, Mr. Speaker, in the last 20 they are making enormous profits, because at that point they have nothing invested. Why did they stop at 10 years? They stopped at 10 years because they were able to show that in those first 10 years, if they did not reinvest their depreciated assets back into the province, they would be paying a higher tax than under the 23 percent. But if they did reinvest the money back into the province, they would not pay a higher tax, and we have no intention, Mr. Speaker, we have no intention of letting the mining industry in this province confiscate the wealth of the people of this province without paying a fair rent.

Now what has been the topsy-turvy effect of this legislation, which I say puts us in the position that the mining industry has been for so many years in. That we say that the asset is depreciating and your investment base is going down, and we want a return on it, we want depreciation. Where the mining industry for years has argued that it would like to write off its substantial costs against operation rather than capital, because that way they paid less income tax, they now will feel that they want to take the sheet out of operational and put it into capital to increase their investment base. In effect, Mr. Speaker, we have by their arguments, devised a tax system which conforms with their philosophy, that there should be high depreciation, that expenses should be put into operation rather than capital, and that there should be a return on investment. And they have chosen to take that and show by hypothetical examples that it is possible under this bill to pay more taxes than we paid under 23. Now why did they do that? Because they say, Mr. Speaker, you know the Minister of Mines - this is what they say - the Minister of Mines has said something, we believe him, and if we indicate to him that's what he said, he will go by that. Well that's what I did say, Mr. Speaker. I said that the amount that we would receive under Bill 16 is substantially the same as what we would have received under Bill 82 last year.

And I assumed that the mining companies would still find the same kind of expenses, the same kind of depreciation, the same kind of return last year. I hope that they file their returns the way they are now saying that they're going to deal with the hypothetical cases. I wish they'd use the same pencil, because they haven't used that kind of pencil up until now. They have been taking the depreciation, they've been arguing like mad that an item should be put into operation instead of capital so they can write it off their income and pay less tax. And in the mining industry they rarely recaptured that depreciation. For years it comes off their taxes. And when do you sell a mine so that you recapture it? It just doesn't happen. So that becomes a deduction from their expenses without any appropriate return to the Province of Manitoba, unless it is as they say, that depreciation is meant to replace the asset. Let them replace the asset, Mr. Speaker, and they will maintain their investment base, and they will not have all of these terrible effects that they say results from Bill 23.

And what have these effects been? It's wise for honourable members just to know what has happened to the resources of this province under the previous system of taxation, what royalty we've been receiving. In 1964, Mr. Speaker, the mining industry received a profit of \$32 million. It took off \$10,300,000 in processing allowances which are fictional and I will deal - in many cases fictional - it's not fair to say that they are entirely unwarranted. They had a taxable income of \$22 million and they paid \$1,700,000 in royalties. Paid more in corporation and federal taxes. But the people of Manitoba for having had \$32 million gross profit extracted - that doesn't take into account the total value of the sales, that's profit after reducing expenses - received \$1.7 million. In '65 they took off \$52 million in profit and paid

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(MR. GREEN cont'd) . . . . \$3.7 million in royalties. In '66 \$43 million in profit and paid \$2.7 million in royalties. 1967, \$32 million in profit and paid \$2 million in royalties. I'm rounding these figures. 1968, \$37 million in profits, \$2 million in royalties. 1969, \$60 million in profits, \$3.6 million in royalties. 1970, \$81 million in profits, \$5,400,000 in royalties. 1972, \$40 million in profits, \$2,400,000 in royalties. 1973, \$137 million in profits, \$16 million in royalties.

Now, Mr. Speaker, in each case except the first I have not taken into account their processing allowance because that would reduce their profit. What is this processing allowance? Processing allowance is an allowance that says you will get 8 percent of the original cost of your processing facilities in perpetuity - and you have written those facilities off against your income and paid less taxes, it doesn't make any difference - you get it in perpetuity up to a maximum of 65 percent of your taxable income and a minimum of 15 percent whether you have any processing facilities or not, that the minimum will be 15 percent if you have no processing facilities. I hope that I have not had that misunderstood. If you have no processing facilities and do not have any 8 percent to write off, you are entitled in any event to a minimum of 15 percent of your taxable income as a processing allowance, even if you don't process. That is the processing allowance.

And in the Task Force Report, and I said that I made a mistake in saying it was the Department of Finance, it was the Task Force that followed the Kierans Commission that recommended that we do away with this processing allowance. There was a recommendation that we do away with the processing allowance. But we didn't do it under Bill 82. But we did speak to the mining companies about it this year and we said that there would be a trade-off of having a lower rate of royalty - and that reflects not only to 12-1/2 percent but the 18 percent profit base and the 35 percent because we have continued to deal with these as a composite figure. We call it 18, 12-1/2 and 35. That not any one of them was intended to deal with the others except that the 12-1/2 was meant to be more related to the processing allowance, the reduction from 15 percent to 12-1/2 was more related to the processing allowance than the rest of the formula. But the formula was a composite. We said we will reduce taxable income by 2-1/2 percent on the 15 as part of the package and we will eliminate the processing allowance. And I did not hear really any strenuous objection. I will not say that there was no objection but certainly, Mr. Speaker, they knew about that weeks before the Bill was presented to them. When the Bill was presented they did not feel that it was a major point to deal with until after they must have got some people with sharp pencils from the East who said, "Say you fellows don't realize but they've spotted, they spotted our game plan and they've put in a minimum depreciation allowance which we didn't know about. That changes the ball game, because we were able to get by with less money under the bill if they didn't have that allowance in. But now that it's in, not only is it not less but unless we replenish our assets it's going to be more." So then came the assault on the bill.

And I'm not, Mr. Speaker, saying that it was all bad. But here are the figures with regard to the payment of royalties. And I have never said that we are going to maintain these figures. I said that the basic royalty tax when I introduced this matter in 1974 would remain unchanged and we would have an incremental tax which would attempt to get at rents. But that doesn't mean that they weren't earning rents in '67, '68, '69, and '70. What it meant is that 1973 would be the base year. We would start from '73 and we would take the 23 percent and try to have this comparably close to that for '73, and the rest would follow a logical pattern. And what is illogical about saying that there will be an 18 percent return on your investment base at which you will pay a lower tax, and beyond that investment base, beyond that return, the province will share a greater percentage of the profits, a graduated tax, And I repeat, Mr. Speaker, if that were the system that was used, if they replenished their assets for which they have taken depreciation then substantially - I'm not going to say exactly - but substantially they would not even be paying higher taxes in future years unless there were real high increases in prices. But even if they did, Mr. Speaker - and it's very hard for me to figure out how the mining companies are going to file a return or what will be the case of an individual company or a hypothetical example. But I'm not able to present a piece of tax legislation by a hypothetical example, because I can produce to honourable members a hypothetical example which will show that they will pay less taxes under Bill 16 than they would under 23, depending on the hypothetical example.

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(MR. GREEN cont'd)

They have asked, Mr. Speaker, for certain changes and I have indicated, when I introduced the Bill, that we are prepared to listen to reason and that if there are matters that do not appear to fulfill government objectives that we are prepared to deal with them. We are for instance, Mr. Speaker, not adamantly wedded to the elimination of the processing allowance. I don't consider that a major feature of the bill. If we took that out we'd be closer to Bill 82 which was a good bill. So if the mining company wants to get a little closer to Bill 82 which they rejected last year we can eliminate the processing allowance and up the tax to 15 percent on the basic return, but that would mean, Mr. Speaker, that all of the processing facility would have to be taken out of the investment base. And I don't believe, Mr. Speaker, that all of the companies - and one of them may be just recently because I asked them to do it - have really figured out whether there is a better incentive for processing by putting the facility in the province, having it in your investment base and having to pay 12-1/2 percent income on the amount which that investment base would then generate that 12-1/2 percent, than to have the processing allowance. It would help some companies who have no processing facilities in a bad year, but why are we offering a processing allowance to companies without processing facilities. I thought it was an incentive.

Now, Mr. Speaker, again what we have done is turned the tables on the industry. They say that if you will give us an incentive we will invest in your province. You give us a reduced tax and we will invest. And we are saying, you invest in our province and you will get a reduced tax. Because if they invest in the province and increase the investment base, to the extent that that is increased they will pay a lower tax. Now that's a real incentive, that's a real incentive. But we are not, Mr. Speaker, wedded to that proposition. I assure you that we will not change the processing allowance to what it was before, we will not say that it goes in perpetuity and that 65 percent of your taxable income at the maximum and 15 percent at the minimum. But we are prepared to get a little closer to the bill that we withdrew from last year, withdrew in fright and astonishment that the mining industry was going to close its mines according to the daily journals. We are prepared to get a little closer and think about restoring the processing facility. We are prepared, Mr. Speaker, to consider a proposal, because it makes sense, not because we're afraid as will be the interpretation that some people say they must place on it, but because it makes sense and we listened to reason last year and we'll listen again. We're prepared to consider a proposal whereby we permit a 36-month period on the incremental tax, not on the basic 12-1/2 percent tax. In other words, we would take the upper level and say that we are prepared to have that considered on a 36-month period rather than on a 12-month period. Because there's nothing magic about 12 months - and having said that I am sure that I will get the opposition people saying if there's nothing magic about 12 months, what's magic about 36 months, why should it not be 60 months or 72 months?

Because, Mr. Speaker, this is an adjustment and it is not based on logic. It is based on providing a fair system of taxation and we are prepared to think in terms of an amendment which will result in a 36-month period, but only on the incremental tax, not on the 12-1/2 base, because you know the Member for St. James said that a royalty is what you get paid for the assets leaving the ground. Theoretically, and not only theoretically but in many cases from a practical point of view, the mining companies could take assets from the ground ad infinitum - and I can produce to you hypothetical examples such as they have produced to me, under which they would pay no royalty, because they would have no profits. And I'm not prepared to deal with those hypothetical examples but it certainly can be the case that we are not prepared to yield entirely on the extended return, extended length of time, but we are prepared to consider a 36-month return instead of a 12-month return. It would mean that they would have to file every 12 months and whatever adjustments were made would be made at the end of the period.--(Interjection)--No, it would not be any three year period. It would start from 1974, let us say, and go to 77. It would not be a three year period of their choosing. It would just be a 36-month return. Just as you now have a one year return, it would be a 36 year return on which you would have to file annual supplements just like the wage earner does, you know, he has to pay taxes every month, and at the end of the three years it could be adjusted to see to it that a mining company that happened to be in a period of soaring copper prices, and we've had that, in one year would not lose the entire benefit of that because they had a bad year at the beginning and a bad year at the end. That they could think of it in terms

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(MR. GREEN cont'd) . . . . of a 36-month return.

We are prepared, Mr. Speaker, to consider that type of change because there is some reason to it. It is not presented, Mr. Speaker, with the suggestion that if you do not do this then Flin Flon and Thompson will become ghost towns. Because, Mr. Speaker, I make this commitment on the part of the Government of Manitoba that we will not permit that to happen. The public will not permit that to happen. There is wealth in the ground in those areas, there is a reasonable return for the industry that wishes to mine it, but any suggestion that they will make ghost towns out of those places is to be rejected. We will not permit that to happen.

We are prepared, Mr. Speaker, to also consider, because it was not a big point, eliminating the compensation program and yielding the 15 points. And that's not part of Bill 16. It became part of the debate on Bill 16 but it is not part of Bill 16, never was part of Bill 16. It's closer again to Bill 82. We have said that we will provide a compensation program because of the federal royalty disallowance, we would receive the 15 points and pay it out of that. We did not consider it to be a big money maker, the mining companies consider it to be very important, we are not going to dig our heels in on something which is solely a question of philosophy of who has a right to do this type of thing - whether the Federal Government has the right to do it or the province. We're prepared to consider a 15 point abatement not being picked up by the province and abandoning any suggestion that we are going to compensate the company.

There will also, Mr. Speaker, be many technical amendments when we get this bill to committee. I assure honourable members that there is no intention to have ministerial discretion in this bill and consider that a bogeyman, consider that a red herring. The mining company has not complained when for years not only I but the Conservative administration has had ministerial discretion to everything as it relates to royalties. Last year they claimed that they didn't like the bill because there was ministerial discretion. This year there's no ministerial discretion but they still don't like the bill. Now they have to start talking about something that counts - money - which is far more important because they know that the ministerial discretion will not be used to do other than what we said. And it appears, Mr. Speaker, that the industry with a Conservative administration would be willing to have the Minister do anything, anything at all. You know why? Because Simon says don't do it, so they won't do it. But under the Conservative administration where they had full ministerial discretion the mining company did not raise its voice about ministerial discretion. In this Act when we are in fact reducing the ministerial discretion rather than increasing it, because you can't increase more than infinite, and the previous discretion was infinite, they suddenly start raising red herrings about autocratic ministry and ministerial discretion and the rights of parliament.

I thought that they used to be interested in money. Now they're interested in the rights of parliament, ministerial discretion, autocratic ministers, none of the things which interested them under a Conservative administration whom they I'm sure felt very secure. That it doesn't matter what discretion you give these people they will do what Simon says, not what is in their discretion. And they've had proof that that is the case.

So we are prepared, Mr. Speaker, to see to it that there is no problem vis-a-vis ministerial discretion. We are going to deal with an amendment, Mr. Speaker, which will make sure that the depreciation will not put them into a loss position, that even the minimum depreciation that we are requiring will not be used to put them into a loss position in any one year, and that will to some extent reduce what could be some of the problems with such discretion.

Now, Mr. Speaker, I indicated when I introduced this Bill that we are prepared to hear as to what is wrong, what way the objectives could not be achieved, we are prepared to consider amendments, that we were not desperate. But I tell the honourable members that we are not prepared to yield on legislation because we are told by the Leader of the Opposition, unless you have a circus with their civil servants against our civil servants in a debate where we can judge whether you, Mr. Minister, are telling the truth, and then he says and if you do not do that - the Leader of the Opposition says, if you do not hold such an arena we then will not trust you.

Mr. Speaker, I say if you don't trust me vote against the Bill, vote against the Bill, because we will not do that. I have faith, Mr. Speaker, that the people of Manitoba trust our

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(MR. GREEN cont'd) . . . . intentions on this bill, regard this bill as proper legislation, regard this bill as providing an avenue which will deal with the questions which I raised, and we are not of the position, Mr. Speaker, that there is now any reason for not proceeding with the bill. If there were reasons presented, we would have been prepared to go to what they call a stable situation. We would levy 23 percent until they made money and then we'd introduce a new royalty, which I don't think is stable. The honourable members on the other side say that the mining industry thinks it's stable. I don't think that's stable. I think that a sensible system is stable and I do not look to the mining industry to tell me what is stable or not. We are prepared to hear their suggestions but we are not prepared to do everything that Simon says we should do.

Mr. Speaker, it's been a most interesting three years, because in fact it is three years since the province received the Kierans Report, which recommended substantial alterations in our mining policy, some of which were already under way and some of which have been inspired by the Kierans Report. I think that what we have done is an improvement over the Kierans Report. The Member for Birtle-Russell will say that what they've done is even worse than the Kierans Report. We've never considered that report to be a bad report. We considered it to be a good report, if one were starting from Day One. We considered the one feature of it, is that it did not protect the legitimate expectations of that sector of the private industry which entered this province on certain realizable understandings as to their investment dollar. This bill protects that, Mr. Speaker. This bill protects that as long as those companies continue to be the same type of corporate citizens that they have been in the past, and this bill will not yield significantly more taxation than would have been payable under the 23 percent. If on the other hand they deplete their assets and have no investment in the province, then they will not be able to obtain a return on that which they do not have.

I say, Mr. Speaker, with more confidence than when I introduced the bill, which confidence has really been inspired by the spectacle that went on in this province between the time of the introduction and the time of closing debate, that this is a fair and reasonable principle to be guided by. And what I stand here and ask for now, is agreement in principle with this legislation. The modifications to make it better, I have indicated we are prepared to consider, and that will be done at the committee stage.

QUESTION put.

MR. CRAIK: Ayes and Nays, Mr. Speaker.

MR. SPEAKER: Call in the members.

Order please. The motion before the House is second reading of Bill 16.

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

YEAS

Messrs. Adam	Johnston, G.
Axworthy	McBryde
Barrow	Malinowski
Bostrom	Miller
Boyce	Osland
Cherniack	Patrick
Derewianchuk	Paulley
Desjardins	Pawley
Dillen	Petursson
Doern	Schreyer
Evans	Shafransky
Gottfried	Toupin
Green	Turnbull
Hanuschak	Uruski
Jenkins	Uskiw
Johannson	Walding

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NAYS

Messrs. Banman	Jorgenson
Bilton	McGill
Blake	McGregor
Craik	McKenzie
Einarson	Minaker
Graham	Moug
Henderson	Sherman
Johnston, F.	

MR. CLERK: Yeas 32; Nays 15.

MOTION carried.

MR. SPEAKER: We are now into Private Members Hour. The order before us is Bill 12, proposed by the Honourable Member for Morris. The Honourable Member for St. Matthews.

PRIVATE MEMBERS' HOUR

MR. WALLY JOHANNSON (St. Matthews): Stand.

MR. SPEAKER: Bill No. 4, The Honourable Member for La Verendrye.

MR. BANMAN: Stand, Mr. Speaker.

MR. SPEAKER: Resolution No. 5, The Honourable Member for Fort Garry, has five minutes left.

RESOLUTION NO. 5

MR. SHERMAN: Mr. Speaker, I don't intend to take the five minutes that are left to me. I just want to say that in view of the social conditions of the day, I think that the resolution put forward by my colleague from Swan River and the amendment offered by my colleague from Birtle-Russell, speak for themselves in recommending the kind of action that is necessary to reassure people, reassure society, reassure Manitobans generally that this Legislature, this House is at least equally interested in those who live by the law and obey the law as it tends to be from time to time in the welfare of those who flout and violate the law. We're concerned with the increases in violence, with the increases in petty and minor incidents of lawlessness and we are, of course, concerned with the drift in society generally to the kinds of disregard for law and order and symbols of authority, and institutions of authority that unfortunately have developed in recent years.

All that being the case, we feel that the kind of action recommended by the Member for Swan River in his resolution and refined by the Member for Birtle-Russell in his amendment, is the kind of action that's necessary today to restore faith in our institutions of law and order and restore faith in those authorities who are charged with carrying the laws of society out and thereby serving the best interests of society. And most important of all, we feel the kind of action recommended here is necessary to produce a rejuvenation of faith on the part of society generally in its own institutions and its own lawmakers. Too many persons who are interested in being good citizens become the victims of those who are not interested in being good citizens and become doubly unfortunate by the fact that there is nobody willing to stand up and see that they deserve protection, and that they deserve recognition, and that those who would violate their right to a peaceful existence go unpunished and all too often scot-free. As a consequence the time has come when we feel our whole machinery of law enforcement authority and programming should be re-examined and rationalized. That's what this resolution and the subsequent amendment asked for, and as I said at the outset of my remarks, sir, I think the measures speak for themselves and need no further elaboration from me.

MR. SPEAKER: The Honourable Minister for Corrections.

HON. J.R. (BUD) BOYCE (Minister for Corrections and Rehabilitation)(Winnipeg Centre): Mr. Speaker, I suppose it is expected that I make a few comments on this resolution. I will announce at the outset that I am going to vote against it. And the reason I will vote against it is that I don't think that we should accept even something which is worded in the abstract if we don't intend to follow through on it. While I will share much of the concerns that have been



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(MR. BOYCE cont'd) . . . . expressed by members that have spoken on this resolution before, nevertheless the problem, I suggest, cannot be resolved from approaching it through and within the mechanism that is not in the first instance established to address themselves to this problem.

And speaking briefly on this whole aspect of social order, law enforcement and perhaps a correctional aspect, society in general in our western democratic philosophy, those that subscribe to the western democratic philosophy, is a little confused in how to get out of this permissiveness that we have allowed to creep into our institutions and our society as a whole. I know that on other occasions in speaking to the members opposite that some of us of a generation that is older than those people who seem to get the podium, we're considered a little bit reactionary, we're considered a little bit conservative if we say that some of the institutions that we had in place to help mankind develop a responsibility are passe, are archaic, are redundant, are of no further utility, have no efficacy, and a whole bunch of other things. But as I stated at the ministers' conference in Victoria last week that really, unless the society as a whole is willing to address themselves to this idea of law and order, then regardless of how many policemen we hire, how many correctional officers we hire, or whatever systems we put in place to solve the problems, we're going to do very little except add new dollars to the scene. Because in my personal view we have spent too much time addressing ourselves to some of the freedoms which to some of the people it has been necessary for them to raise their voice, that they have been more or less oppressed by some of these institutions in the past.

Nevertheless, to say that we have forgotten about getting across the message to be a free citizen within our society means that one has to accept their own personal responsibility as best they are able to discharge it. This sounds a little corny perhaps in this day and age but nevertheless I think more and more people within our society are coming to realize this, that with freedom and rights go the necessity of accepting responsibility. Even something as obtuse as walking around loose, or free in our society. We have built in safeguards to protect individuals from oppressiveness of the law, and it is still with us, and the Law Reform Commission in one of their reports last year or the year before, re-emphasized the necessity of continuing the concept of habeas corpus, that people have the right to walk free in our society and that we have to move cautiously to remove this freedom from an individual. For example, in the Law Reform Commission report that was tabled in the House this afternoon you will see that the commission has spent some considerable time in trying to redraft the law as far as emergency treatment for people under the Mental Health Act, so that we do move cautiously to be oppressive as far as putting people into a custodial situation. Nevertheless, to think that we can solve the problem by just turning it over to some law reform commission or to some police commission, I think is begging the issue.

I said at this particular conference in Victoria that I think sometimes the politicians are a little bit remiss in discharging what I understand the responsibility to be, is to exercise judgment on behalf of the people that elect them but also to inform their electorate that we don't do them any favors when we ignore informing them that where they are going awry as far as social order is concerned, that without their co-operation we can do very little and it is just hiding the issue when we refer it to such things as police commissions or law reform commissions.

Out of the conferences which are going on at the federal-provincial level, there will be an announcement made in mid July with reference to the Young Offenders Act. More and more it is becoming evident that really communities, in looking outside of their own resources towards municipal governments or provincial governments or federal governments or police forces, are being brought up against the fact that without some social involvement of the people in the community itself, that they are really not going to do anything. This writing into statute or writing into law or hiring more policemen as I said earlier, isn't going to solve the problem. Rather than debate the issues as I understand they should be debated, at this present time, Mr. Speaker, I just intend to vote against the resolution.

MR. DEPUTY SPEAKER: The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): Mr. Speaker, I take it there is no one else wishes to speak to this resolution; therefore, I'll be closing the debate.

MR. DEPUTY SPEAKER: The honourable member will not be closing the debate. The honourable member is speaking to the amendment.

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MR. BILTON: Well, I'll speak to the amendment. Mr. Speaker, I appreciate the expression given by the Attorney-General to the motion in itself and certainly I have no objection to the amendment that has been put before the House. In recent days much has been said on the situation of crime and all its aspects in this Legislature and I am rather disappointed in the opinion given by the Minister of Corrections today. He spoke in terms of what is being put forward is somewhat redundant and that we are addressing ourselves to freedoms of the past and endeavoring to bring society as it is today into those fundamentals that those of us that have lived in the past, as it were, for a few years have accepted and abided by.

That was not the point of the resolution and this amendment, Mr. Speaker. It is not hiding the issue as the Minister of Corrections says. Far from it. My initial thoughts in putting forward this resolution was merely to open up what is being done presently in the interests of our social approach toward crime and all its aspects. The cost factors, the social factors, and law enforcement particularly. Mr. Speaker, over recent years law enforcement in this province and the handling of our affairs in court have become top heavy and topsy and it was my thought in bringing forward this resolution that somehow or other the public would be made thoroughly acquainted in what is going on in their interests.

Recent days, recent months and recent years suggest to me that the people should be more informed of what is going on, but the Minister of Corrections wants to keep it under the mat. Whether he is wanting to build an ivory castle for himself or not, I don't know, but it would seem to me that he should not build up his future as a Minister of the Crown on the backs of those that we are trying to protect by our law enforcement bodies. I suggest to him that he has a responsibility to be much more forthright in what we are attempting to do in this resolution and had he read it thoroughly, and certainly the amendment toward it, has nothing at all to do with hiding anything, but rather opening up our law enforcement in this province, much of which is becoming tremendously costly and a tremendous burden on the people of the province. And on the other hand, what are we doing in social reform for those that are put away because of breaking our laws.

I am amazed that the Minister of Corrections should have got up and spoken as he did this afternoon, talking in high phrases, on cloud nine, as to what they talked about in Victoria. I'm not interested as to what went on in Victoria. I'm interested in what goes on in the Province of Manitoba, and I say it's high time, it's high time that the people were made acquainted with what is going on in the law enforcement of this province. Costing hundreds of millions of dollars.--(Interjection)--Why didn't you say so? Well, don't accuse me of putting anything under the mat. In no way. No way. Hiding under a bushel will get you nowhere sir. Get on the job and do something about it. Open it up and let the people know. And vote for this resolution.

MR. SPEAKER: The Honourable Minister in charge of Autopac.

MR. URUSKI: Mr. Speaker, I really hadn't intended to speak on this resolution at all, but I heard the Member from Swan River wanting some . . .

MR. BOYCE: . . . your Special Committee of the Legislature now voting for . . .

MR. URUSKI: . . . action. Insofar as law and order is concerned, I . . . Well, gentlemen, there is the outside of the Chamber if you wish to discuss your differences.

MR. BOYCE: My apology.

MR. URUSKI: When the Honourable Member from Swan River wants to discuss law and order and the delays in the judicial system in this province, I listened to the remarks made by the Minister of Corrections and the remarks that he made, the way I interpreted them, was that he indicated that we should not pawn off our problems onto someone else and start up a merry-go-round and just slough off the problems onto some body external to the Legislature and then wait, sit and wait for some kind of a report. If we, as legislators, do not have our minds made up on what direction we should take, then we should make up our minds, but not sift the problem off to some external body and hope that they will come up with some recommendation that is palatable to us. Mr. Speaker, we know . . . I, as an ex law-enforcement officer, knows, I personally feel that the more enforcement people that you put on, you are really not dealing with the problem of society. What you are doing is sort of putting out the brush fires and trying to deal with the problem after it occurs.

Well, Mr. Speaker, the honourable member says I haven't read the resolution. "Whereas law enforcement is becoming more difficult." We all realize that the enforcement of the

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(MR. URUSKI cont'd) . . . . law is becoming more difficult, particularly in Northern Manitoba because of the large area to be supervised by a limited number of uniformed personnel, whereas many individuals are being apprehended and, after entering a plea, are released on bail because of delay. Many individuals today, Mr. Speaker, whether they be in the north or in the south, are released from the courts either on their own recognizance or through bail for the simple reason . . . You know, I personally believe that jails are not the place to deal with offenders. There are certain instances where people, there's no doubt that jail is the way to deal with them, but I would say that the majority of our crimes where you have offenses in traffic and different violations, where people ultimately, after they've shown society that they cannot be dealt with through a penal system, by fines, and by restitution, and by those methods, they will have to go to jail, but I just don't believe that in every instance, if there is a crime committed, that automatically the offender must go to jail prior to coming to trial. I just don't agree that that is the approach to be taken.

Mr. Speaker, as I indicated, some of the members behind me here are indicating, do I want to send them to Hawaii? I said there are certain instances where there is no alternative, that incarceration is the method of handling people who offend the laws of Canada and of society, whether it be Manitoba or elsewhere in this country, but I say that we, as legislators and as people of this province, and also the legislators, the Members of Parliament in Ottawa, in their wisdom in representing the people of this country and formulating the laws, have moved in what is attributed a more permissive way and, as a result, I think there has to be an attitudinal change.

MR. BILTON: Read the Therefore. Read the Therefore.

MR. URUSKI: Mr. Speaker, I think we have to make up our minds. The Honourable Member from Swan River says, "Read the Therefore." I think that we as legislators have to make up our minds in which direction we want to move. If we want to move in a hard law and order and ultimately . . . You know, there's a fine line that we walk, whether we are in a totally police state where law and order prevails come hell or high water, or we have to . . . I have a hard time searching out the words that I want to express in speaking to this resolution, but we . . .

MR. BILTON: That's in the Therefore.

MR. SPEAKER: Order, please.

MR. URUSKI: Mr. Speaker, there is no doubt that there has to be a continuous examination of our handling of criminal offenses and examinations, but I don't think we should take the problem outside the Legislature. I think the responsibility should be accepted and the Attorney-General's department and the Corrections Department should be prepared to deal with the re-examination of our court system and the handling. I have some ideas, for example, in the handling of traffic offenses. If you look at jurisdictions - for example, I believe it's in Chicago, Illinois, where traffic court is a separate court system where offenders of the traffic laws of that state are not only handled through traffic court, but there is a period whereby further education and attitudinal courses are undertaken or presented to the individual in the hope that some remedial or some rehabilitative action by the court, other than strictly a penal action by the court, is undertaken so that if the attitudes of the motorist can be changed, then hopefully he will be a better motorist on the highways in that state or in that particular jurisdiction. And I think in many instances law and order and crimes against society, they stem of course from an attitude, and I think the whole basis is how an individual is prepared to face his fellow man and his attitude towards the rest of society. If he is prepared to deal in a normal fashion, what we as people would consider a normal fashion, he is treated in one way. He is free to all the freedoms that are there for every citizen of that country. But if he chooses to step out of bounds of what society and what legislators as a whole wish not to hold out, then he has to deal with that matter. But, Mr. Speaker, I come back to the very point that if we decide to deal with the matter of resolving the handling of the court procedures, whether they be in northern Manitoba or in southern Manitoba, I think we as legislators should decide on the method to be undertaken here within this Legislature.

MR. SPEAKER: Are you ready for the question?

QUESTION on the amendment put and declared lost.

QUESTION on Resolution 5 put and declared lost.

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MR. BILTON: Ayes and nays, Mr. Speaker.

MR. SPEAKER: Call in the members. Order please. The Motion before the House is Resolution No. 5, proposed by the Honourable Member for Swan River.

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

YEAS

Messrs: Axworthy  
Banman  
Bilton  
Blake  
Craik  
Einarson  
Graham  
Henderson  
G. Johnston

Messrs: F. Johnston  
Jorgenson  
McGill  
McGregor  
McKenzie  
Malinowski  
Minaker  
Patrick  
Sherman

NAYS

Messrs: Adam  
Barrow  
Bostrom  
Boyce  
Cherniack  
Derewianchuk  
Dillen  
Doern  
Evans  
Gottfried  
Green  
Hanuschak  
Jenkins  
Johannson

Messrs: McBryde  
Miller  
Osland  
Paulley  
Pawley  
Petursson  
Schreyer  
Shafransky  
Toupin  
Turnbull  
Uruski  
Uskiw  
Walding

MR. CLERK: Yeas 18; Nays 27.

MR. SPEAKER: In my opinion the Nays have it. I declare the resolution lost.

RESOLUTION 24

MR. SPEAKER: Resolution No. 24. The Honourable Member for Virden.

MR. MORRIS MCGREGOR (VIRDEN): Mr. Speaker, I move, seconded by the Honourable Member for Radisson,

WHEREAS P. T. H. No 83 in Manitoba joins U. S. A. Highway No. 83 at Westhope on the Canada-U. S. Border and extends to Brownsville, Texas, terminating at the Gulf of Mexico;

AND WHEREAS P. T. H. No. 83 in Manitoba extends north from Westhope, North Dakota, to Swan River and is marked as such on highway maps;

AND WHEREAS it will be of great advantage to the economy of Manitoba and to the Port of Churchill if a road is constructed to extend to Hudson Bay;

AND WHEREAS U. S. A. and Canada International Highway No. 83 Association meets on a regular basis to fully promote the development of Highway 83 which runs from Brownsville, Texas, to Swan River, Manitoba;

THEREFORE BE IT RESOLVED that the Manitoba Department of Highways consider the advisability of extending P. T. H. No. 83 from Swan River along existing highways to The Pas, Thompson, and on the proposed highway to Churchill, and marking this road as International Highway No. 83, adding P. T. H. No. 83 to present signs between Swan River, The Pas and Thompson.

MOTION presented.

MR. SPEAKER: The Honourable Member for Virden.

MR. MCGREGOR: Mr. Speaker, having been involved in this Association for a good

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(MR. MCGREGOR cont'd) . . . many years - I served as International President and we in Manitoba hosted the convention that year - this year it's Manitoba's privilege to be hosting it at Russell, and when I'm down at the southern end of this route as the map when it comes to your desk, you know, it's often easy to say, well, what I like and what I appreciate in the southern part of Manitoba. But really, when you are on as long a highway as this, you think of some type of promotion such as "The Gulf to the Bay", and I'm sure if the people who are in Nebraska have something to be proud of but haven't got that real promotional punch, and if this resolution was honoured - and I really think it will be because it isn't a costly type of thing - it would make the people south of the border feel much more internationally inclined.

I know my association with this Association has been most friendly. Well we go down there and sometimes do get the jangle that we read on the news by our diplomats, but this Association, they're easy to talk to and you explain the Canadian point of view, whether it be energy or anything else. And I just think the fact that we have the International President in this Chamber in the name of the Honourable Member from Roblin, adds something to it. I know the First Minister is going to be at a testimonial dinner at Russell on June 20th, and he was associated with this Association in Virden in 1970.

So I think there's other members probably would want to make some contribution in this regard, and I certainly, for my part, I would like to see this come to a vote today so that when we do meet our American friends at Russell, we could say that it was favourable or not favourable --(Interjection)-- Well it's . . . In any case, thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture)(Lac du Bonnet): Well, Mr. Speaker, the Member for Virden, I believe, is well-known for his desires with respect to Highway 83 and the Association which has existed, I'm not sure how long but I would gather a decade, to say the least, the promotion of Highway 83 from the Gulf of Mexico through to Hudson Bay in Manitoba, and I've always been somewhat amused at the expectations that have been generated by those who, with some degree of enthusiasm, thought that it was going to happen like almost tomorrow, you know, and I know that the Member for Virden is not suggesting that this become a priority project where the Department of Highways would want to forego its traditional program, its regular program, in exchange for a massive thrust into Northern Manitoba.

I think it's worthwhile to recognize, though, that the Government of Manitoba in the last five years has undertaken a very extensive program in Northern Manitoba with respect to new construction linkages between isolated communities, communities that have been isolated for - well since time began, I suppose - and that really those priorities, I think, were the right ones. And I think I have to agree with the Member for Virden that, you know, it probably would be a nice thing to be able to say that tourists can travel all the way from Mexico in through Canada and Manitoba all the way to Hudson Bay, and catch a few whales and so on. That's a pretty good idea. But I think we are somewhat removed from the reality of our situation in trying to suggest that it can be done very quickly. The government has committed itself with respect to a link to Gillam, which is a long step in that direction, and I gather there is some additional mileage, something like 200 miles beyond Gillam to take us to Churchill, and it's in an area that doesn't lend itself too well for road construction; it's one of the more difficult areas that some day we will have to undertake, however, but it's one of the most difficult areas to build roads on.

I would think that the spirit of the resolution is good, that this is something that we should look forward to, but we shouldn't want to put ourselves in a position, of false expectations, of false hope for people that might think in terms of a highway going through their remote areas in the next year or two. I think this is something that would be wrong for us to do as legislators. For that reason alone, I would not want to promote the passing of this resolution even though I agree with it in spirit, the desirability of extending our highway system as far north as is possible.

I think one has to also observe that there probably is a lack of a commercial need for a highway to Churchill that would cost many tens of millions of dollars - and I presume I could be right in saying hundreds of millions of dollars. At this point in time I believe the upper reaches of our province have not yet developed to the point where one could, by way of a cost benefit study at least, come close to breaking even with that kind of expenditure, and hopefully some day that those cost benefits will change in the direction of this resolution and hopefully some

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(MR. USKIW cont'd) . . . . time in the future we might be able to commit ourselves firmly that each year we would be prepared to add an additional ten or twenty or fifty miles or whatever it would take to complete that route. But in the meantime I think that we would be not, to say the least, not fair to the people in the United States, the people in Manitoba, and certainly to the people in Northern Manitoba, if we were to somehow imply that the Legislature has passed on this motion and that there is going to be a road built very soon in their particular area, and where everyone would be building up their hopes rather prematurely.

You know, I think that is something that governments should try to stay away from for that reason alone. I've seen so many examples where a slip of the tongue on the part of the government or the Minister of Highways results in a massive build-up of expectations in a given community with respect to road work or drainage works or whatever public venture may have been mentioned, and then you end up in a situation where you in fact have generated a new lobby or a number of lobbies that would maintain the pressure on government, perhaps in many instances certainly premature in its development, stage of development. And that is a risk that I'm sure the Member for Virden would not want to undertake. I know that if he was to make a choice as between the improvement of highways in his constituency versus a very outstanding expenditure in Highway 83, route 83 beyond Gillam, that he would not want to make that choice without giving due consideration to the needs of his constituents.

Now the Member for Virden is shaking his head that perhaps I am wrong, perhaps he would be willing to forego road development in his constituency indefinitely in order to promote Highway 83. I don't know whether that is why he is shaking his head, Mr. Speaker. I rather think that he is more astute than that, Mr. Speaker, that he is not prepared to off-the-cuff commit the kinds of expenditures that would be required.

If you look at the map, Mr. Speaker, I think you will recognize the legitimacy or the desirability of such a direct route. It follows through from Westhope in the United States - well, it follows through right from the Gulf of Mexico, but at the Canadian border the nearest point is Westhope, and it takes us all the way through to Swan River at which point it connects up to Highway 10, which takes us into The Pas and away up into Flin Flon. And, you know, one's imagination can run away with one's self and, you know, I'm one of those that like to spread a map out on a large table and ponder what possibilities there may be in the future with respect to new highway construction and especially in the remote areas of this province. But every time I look at the map, Mr. Speaker, and I see this vast area in Northern Manitoba, I have to wonder, I have to wonder at the kind of dollars that it would take to link up all of Manitoba in terms of all of the remote communities, certainly in terms of the community of Churchill itself. And in that context one has to come down to a realistic position and hope that we will progress as fast as we can, and that the linkages that we are now undertaking to Gillam, certainly if you look at the map, that is certainly a very large undertaking. I don't know what the time frame is. I didn't have a chance to discuss this resolution with the departmental people, but just looking at the map, Mr. Speaker. I can see a massive undertaking simply to link up with Gillam, where we already have a very substantial community and development in that part of this province.

So beyond that, I have to say that it is some time away. I don't know whether I will be in my present position at a time when moneys are going to be allocated for funds far beyond Gillam, but in any event, in any event I would like to put on the record that it probably would be a cruel joke to play on a lot of people to indicate to them that we are seriously looking at an immediate start to link up the Highway 83 system all the way to Churchill.

The First Minister indicates, of course, that there might be a desire to contact some of the communities in the North, certainly the communities of Flin Flon and The Pas - they may have some opinions as well - and I think broad discussion of that kind should be undertaken with a view to meeting the legitimate needs of the people of those northern communities along with the desirability of people here in southern Manitoba and people in the United States who would want to undertake a very lengthy tour from the deep south into the far regions of Northern Manitoba. I might add, Mr. Speaker, that I would not want to object if, for example, there was an undertaking on the part of the Government of Canada to commit certain sums of money towards that kind of a project - and here I would invite the Member for Portage la Prairie and the Member for Fort Rouge to perhaps assist us in sort of presenting this kind of an idea to the Government of Canada, in that they have a more particular interest in developments, in the

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(MR. USKIW cont'd) . . . area beyond Manitoba's boundaries, the Yukon Territories, all of that area at the top of Canada that is really within the area of federal jurisdiction, and that's the kind of incentive to give greater credit to the desires of the Member for Virden, notwithstanding the fact . . .

MR. SPEAKER: Order please. The hour being 5:30, I am now leaving the Chair to return at 8:00.