

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 p.m., Friday, May 21, 1976

INTRODUCTION OF GUESTS

MR. CHAIRMAN: Before we proceed, we have 34 students of the Prairie View School, Devil's Lake, North Dakota. This group is here as guests of Mr. Speaker. On behalf of the honourable members I bid you welcome to the Assembly.

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MR. CHAIRMAN: I refer honourable members to Page 41. Resolution 86(e) Environmental Studies: Salaries, \$128,100 - the Honourable Leader of the Opposition.

MR. CRAIK: Mr. Chairman, just before lunch we were on a general discussion on this matter and I think the essence of my question was: in view of the fact that environmental studies now have been going on more intensively in the last ten years than ever before, are we in fact getting anywhere by way of formalizing an approach and formalizing any sort of an acceptance of the results from these studies? There was some difficulty in phrasing the question and I wanted to boil it down that accurately and find out from the Minister if, in viewing now the results of these last few years, whether he feels that environmental studies and impact assessments are in fact starting to become more formalized and something that can be defined, before undertaking them and expecting to get some degree of hard data and information out of it, upon which decisions can be made.

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: Mr. Chairman, I realize the honourable member's difficulty with my answer. I think that there is as much difficulty with the question. I would say that where we are dealing with fairly objective data, that there is some better procedures being developed.

Where we are dealing with subjective data such as sociological considerations etc., I am not sure that we are any further ahead. I think that we have opened the door for more argument and debate, which I am not objecting to, but I do not think that we are further ahead in really assessing what the sociological results are which are included in environmental impact assessments.

I do think that the scientific data certainly has been useful if one can try to analyze it in terms of objective analysis. But where it starts involving economic analysis and sociological analysis then I think that it is still very much in the area of subjectivity and discussion and argument and decision-making on a basis which largely comes down to one's opinion and frame of reference.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I want to raise with the Minister a couple of specific questions. I am intrigued by his definition of how he starts dividing ecology up into certain little compartments but I would like a moment or two to muse about that one.

In the meantime perhaps the Minister can tell us: what is the particular state of assessment that is now going on on the Garrison Diversion? I believe that there was a monitoring committee that was set up in terms of a working group of officials between the four respective governments that are involved. I believe they were to meet on a periodic basis - was it a quarterly basis or every three or four months - to assess studies that were being done about the potential influence or effect of waters. I wonder if the Minister would be able to report to the House how many meetings have been held? What kind of reports have been issued from the American side to the Canadian side and what the assessment of the reports has been from the American authorities on Garrison and perhaps give us some indication of what the progress of construction of the project is in the United States at this stage, whether they have reached any critical junctures in terms of when and if and where decisions might be made related to once they get the control or dam structures in place, that will start affecting waters and to what degree the International Joint Commission's hearings, what progress has been made on those and when we might expect some decision related to the IJC reports.

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MR. GREEN: Mr. Chairman, with regard to the Garrison Diversion I think that all of the activities now are taking place under the auspices of the International Joint Committee Study Board, Joint Commission Study Board. There are reports being dealt with by the officials of the Study Board and I believe that there is much argument about the results of those reports and I gather that the International Joint Commission is going to have to make an assessment and decision.

I indicated previously that Mr. Weber had given me the information that one of the things that appears to be fairly certain is that the water coming into the States from Saskatchewan is more pure than the water going from the States to Manitoba. The water coming into the States from Saskatchewan is less pure than the water leaving North Dakota coming into Manitoba. I think that that is his opinion and he confirmed it with me. There may be argument on that question too but Mr. Weber is the authority that I get for that particular proposition.

The state of construction . . .

MR. WATT: Mr. Chairman, I wonder would the Minister repeat that statement that he has just made about water quality as it leaves Saskatchewan and re-enters Manitoba.

MR. GREEN: The opinion that I have is that the water coming from Saskatchewan going into North Dakota is less pure than the water leaving North Dakota coming into Manitoba at the present time.

MR. WATT: I have the Souris Basin Study Report here, No. 1, March, 1976, and I refer to Page 3; Water Quality. "In the water quality sector we will begin by obtaining a data base that will give us the existing quality of the water. This data will then be used in mathematical . . . to assess" and so forth. This section of the report dated March, 1976, says that they will begin to study the water qualities on the Souris, on the total studies of the Souris Basin, that is in Manitoba and Saskatchewan.

MR. GREEN: Mr. Chairman, I am not suggesting that that is not occurring. I am giving the information that I have based on my present knowledge of the circumstances. I would venture to say that studies have been done of water quality prior to this but they are now doing more studies. I am giving the honourable member the information as I understand it to be.

I indicate that there are more factors being studied about water quality now than possibly were studied in the past.

MR. WATT: Is the Minister saying that it really isn't established then, the water quality as it leaves Saskatchewan and the United States and returns into Manitoba, that further studies are necessary before the facts can be established.

MR. GREEN: Mr. Chairman, I am saying that they are still establishing this situation, they are still dealing with it. But that the present information that I have is that the water quality as it leaves Saskatchewan is worse than the water quality as it comes from North Dakota into Manitoba.

I'm not making that fact as a finding of the report. That is my information. Those are the kinds of things that they are dealing with at the present time by the International Joint Commission. I am not giving a definitive statement with regard to that, I am indicating that that appears to be the opinion of people who have looked at it.

The state of construction of the Garrison Diversion I indicated approximately a year ago that no part of the present works need necessarily link to the Souris or Red Rivers, that at that time the earliest time that they would have to make a decision on the Red was in late 1977, that the earliest that they would have to make a decision on the Souris was some time later than that, perhaps 1979 or early 1980. The present construction therefore deals with elements of the Garrison Diversion which, as presently envisaged, would carry water to the Souris River but which would not necessarily do so and if the International Joint Commission was to decide that this would be a violation of the Boundary Waters Treaty, then it would be the responsibility of the Americans to have some other plan or to deal with the matter so as not to violate the Boundary Waters Treaty. But there is construction continuing in the State of North Dakota and the argument on behalf of many people is that this construction is senseless without linking it to the Souris and Red Rivers. This is the argument of the Save North Dakota Committee

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(MR. GREEN cont'd)who, in my opinion, are concerned with the Garrison Diversion in North Dakota, as they should be and I'm not arguing with them, and with people in Manitoba who are of the opinion that this International Joint Commission situation is not going to be of any assistance to us.

All I can say to the honourable member is that we have done everything we can within our power to see to it that the interest of Manitoba is protected. I have never been able to and never have tried to guarantee that the Garrison Diversion will not proceed in such a way as to adversely affect Manitoba, all I have indicated is that we have taken every step that it doesn't do so, every effective step.

MR. CHAIRMAN: The Honourable Member for Arthur.

MR. WATT: Mr. Chairman, I was just going to ask, are we now dealing with the Garrison Diversion project?

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: I had some follow-up questions to raise to the Minister.

In terms of the statements he made, do I understand him to say that the Monitoring Committee that had been established between the State of North Dakota, the Province of Manitoba and the Government of Canada and the Government of the United States, is no longer functioning and that the function has been transferred to the International Joint Commission? That seems to be one of the questions that I would have.

It would seem to me that that was part of the protective mechanism that the Minister had indicated was being set up in order to ensure the interests of the province and it seemed to me he said that this was now under the jurisdiction of the IJC. If that's the case I think that that has been a somewhat change in the status of the agreements that the Minister had announced previously with the American officials. There may be some sound reason but I think that it would lead to the subsequent question and that is: What is the exact nature of the powers of the IJC in this case? It was my understanding when the Minister discussed it last year that IJC really only had advisory powers, it did not have the powers to decide but it was simply to advise governments on proper courses of action to take.

And thirdly, I believe the Minister had said - and I could be corrected - but I do, I'm trying to recall and I would have to go back into Hansard to check, that he said that the Government of Manitoba itself in conjunction with the Government of Canada was going to maintain its own study teams to provide for a cross-check or a reassessment of facts, figures, data that are produced by American officials or the American bureaus that are working on a particular project. I'd like to have the Minister clarify the extent to which all those things are still in place.

I guess one final question would be in terms of the international position, and it would seem to me that between last year's discussion of this issue and this year's, that the Government of Canada has taken some additional steps - I believe that they sent another note to the American Government asking for clarification of the position and I believe it was a much stronger worded description of what the Canadian case would be.

And finally, Mr. Chairman, I'd like to ask the Minister if, when he's talking about the fact that construction is now proceeding, that it's premised upon a natural link-up with Souris and Red River waters that would come into Manitoba, if there has been any discussion that he has had, or the Premier, in their travels and visits with Governor Link and other officials of North Dakota, about contingency plans, about what happens if all of a sudden they reach the stage where the last shovel is going to be dug and before the connection is made, and at that point in time if there is no provision for contingencies, it would seem that the inevitable inertia of development and construction would then proceed unless there is already in place some notion of what the options might be. If the IJC says yes the damage or the contamination of Manitoba waters is going to be of such a nature, what I would be concerned about that it seems to me that we may be heading to the only solution being some form of financial compensation, which has been the basis of settlement of these kind of disputes before and are not really very satisfactory, as the British Columbians have found out in their settlements on the Columbia power site. So I would really like to know if there has been a discussion of

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(MR. AXWORTHY cont'd) . . . what options has the government discussed with their officials or are they aware of what kinds of options would be considered by the Americans if it was discovered and announced by the IJC that the problem of contamination was of a serious nature?

MR. CHAIRMAN: The Honourable Minister of Mines and Resources.

MR. GREEN: Mr. Chairman, the Monitoring Committee that the honourable member refers to was not a committee of professionals to monitor any aspects of the Garrison Diversion. I have explained this at least on a dozen of occasions and regrettably people do not understand or do not wish to understand, although I can indicate that the specific statements that were made and press release statements that were made . . . and when the committee was set up it was to monitor the work of officials that would be done between Manitoba and North Dakota. We met in Winnipeg, we said that there would be an officials committee set up to exchange information, to deal with the information that had been established, there would be a monitoring committee of politicians, representatives of the two governments, to see to it that the officials did report. And the monitoring committee did meet within the required period or very close to that. We did get reports, impasses developed as between the officials and the decision was made by Canada to refer the matter to the International Joint Commission. That decision was taken by the Honourable Mr. MacEachen. If there is a complaint with that decision, then I urge the honourable member to take up his complaint with Mr. MacEachen.

We have decided that the Government of Manitoba has no choice but to let Canada take the responsibility for the position vis-a-vis the international aspect of this problem. And we are supporting the Canadian position. That then eliminated the committee of officials that were meeting back and forth and the monitoring committee, and the matter is now in the hands of the International Joint Commission to be dealt with in according with their procedures, which is the setting up of a study board representing all of the parties, North Dakota, the United States, the Government of Canada, the Government of Manitoba, and the study board obtaining documents back and forth. This has been occurring - I haven't been directly acquainted with the documents that have been passing back and forth and the studies that have been made, all of which are commissioned under the auspices of the International Joint Commission. And those reports will be dealt with by the International Joint Commission. They have not come to the Government of Manitoba with respect to dealing with any of those reports to this point. We are also engaged - and this is continuing - in doing our own data based studies or other necessary work with regard to water quality on the Souris River Basin. That is continuing, that has not stopped, that has not given way to the International Joint Commission.

What is the power of the commission? Ultimately the power of the commission is to make a decision which is in the form, I gather, of a recommendation, and I'm not 100 percent acquainted with the formal nature of the decision, I deal more or less with the effect of the decision as I understand decisions to affect sovereign governments who have entered into a treaty. In the ultimate they depend on the governments honouring their obligations. We have been assured that the Government of the United States would honour its obligations; we have been assured that the Government of the United States will not proceed with a program which will violate the Boundary Waters Treaty. We have been the ones who have taken the position that we do not wish to discuss compensation in spite of the fact that the Member for River Heights asked me whether we were considering compensation and appeared to introduce that into the discussion.

We said that discussing compensation would be Manitoba's weakest position. Because if we discuss compensation then it is probably true that compensation to deal with these questions, if one wanted to try to bring them down to money terms, could be dealt with by the Americans for a very small portion of the total capital cost of the Garrison Diversion. That is not a satisfactory position, nor do we push that position.

We do not take the position - as a matter of fact we take the contrary position - that the International Joint Commission should recommend compensation.

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(MR. GREEN cont'd) We are asking the International Joint Commission to prevent a violation with the Boundary Waters Treaty. That has always been our position.

Now I am not in control of the International Joint Commission. I am not able to tell the International Joint Commission what to do. I am telling you the position that has been taken by the Government of Manitoba and I am not able to say in advance that the position of the Government of Manitoba will be upheld by the International Joint Commission.

The Government of North Dakota and the Government of Manitoba have discussed and put into writing the possibility that if there is a violation of the Boundary Waters Treaty that no link-up of the Souris or Red will then be permitted and that it would be up to the Government of North Dakota and Governor Link did say - he hasn't shown us contingency plans, I don't know whether I have the right to ask for them. He has said that if we are not permitted to proceed we will irrigate different lands; we will do different things with the reservoirs that have been constructed. I presume that they will try to get return flows through other streams.

I know that the Government of Minnesota and the Government of South Dakota have complained about the possibility that flows would go into their states. They have not shown us any contingency plans but they have been made aware that they have to start thinking of contingency plans should there be a violation of the Boundary Waters Treaty. I want to emphasize to the honourable member that Mr. Vine, one of the Assistant Under-Secretaries of State for Canadian affairs, has specified on several occasions that we have a voluntary moratorium on any work that would directly link with Canada but we do not admit that there is a violation of the Boundary Waters Treaty but we are giving our commitment that there will be no violation of the Boundary Waters Treaty. He reserves the right, as we do, and he has that right, to argue what constitutes injury to health and property. He will not accept Mr. Madson or Mr. Axworthy as making the decision. He has agreed to accept the International Joint Commission. How that decision will be made I am unable to guarantee. I know of no politician in this country who can guarantee that he will be able to protect Manitoba from the ultimate return flows of the Garrison Diversion even if the International Joint Commission decides that there is no violation of the Boundary Waters Treaty.

There has been no suggestion made to me over the years that I've heard this subject discussed of a better or more effective way of dealing with the question than the way in which it has been dealt with.

MR. AXWORTHY: Mr. Chairman, I don't know what the Minister's getting so upset about. I think that the questions were designed to elicit the information that he has now provided which has not been - well he seems to be getting a little wound up but maybe that's just a natural state of affairs.

I think, though, that there is one statement the Minister made that does require some basic clarification, or something that at least could be of importance, and that is that there has been a Letter of Agreement signed between the Governments of Manitoba and North Dakota that would indicate that if the IJC found there to be a violation that there would be no link-up or hook-up. Did the Minister not state that we're connected with the Red and Souris? I believe I heard him say that.

MR. GREEN: Mr. Chairman, there was a statement issued, a joint communique issued in Bismarck in which - I'm trying to recall it - it was said that the present work does not necessarily link with the Red and the Souris. The decision as to whether that has to be done can be awaited with respect to the Red until 1977, with respect to the Souris to 1979 or 1980, I can't remember. If there is a violation of the Boundary Waters Treaty there will be no link with the Red and the Souris. I believe that all of those things are contained in that communique. I can get the communique and read the statements and I would ask somebody from our department to get it for me.

MR. CHAIRMAN: The Honourable Member for Arthur.

MR. WATT: Mr. Chairman, I'm rather surprised in listening to the comments of the Minister in regard to Manitoba's position. The Minister has suggested that Minnesota and South Dakota have protested the return flows from the Garrison project into the Missouri River or into, I think, the James or other water streams through

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(MR. WATT cont'd) Minnesota and South Dakota. My information is that they have taken positive steps that there will be legal action if the return flows from the irrigation project go back into the Missouri.

Mr. Chairman, the Honourable Minister through the past month or so when I have been questioning him on this seems to indicate that he has put complete faith in the IJC, the International Joint Commission, which of course is appointed by the United States Government and the Canadian Government. Yet I heard him on TV the other night indicate that he had the least trust of any person in the world in one of the most important Cabinet Ministers in Ottawa insofar as the west is concerned. I think he was referring - in fact he was referring to Mr. Lang, that he had the least--(Interjection)-- Well I suggest that when the Honourable Minister is making reference to a Minister of the Ottawa Government that he is talking about the government. I find it very difficult when he now says that Manitoba's position is to wait to see what the position of the Government of Canada will take to protect the Province of Manitoba. But at the same time the states that will be affected in the United States are not waiting for Congress in Washington to protect their interests insofar as the Garrison project is concerned. In fact I think they were doing more in Washington to protect Canada than Canada is or Manitoba is to protect Manitoba.

Mr. Chairman, I have here a document. This was issued on March 19th, 1975, by the Joint Commission or the Sub-Commission of Water Conservation, Energy and Natural Resources of the Congress of the United States. Now the letter is addressed to the Honourable Henry Kissinger, Secretary of State. "Dear Mr. Secretary: Recently the general accounting office of your department have concluded that as presently proposed the Garrison Diversion Unit in North Dakota which the Interior Department is now constructing, would likely result in pollution of Canadian waters in violation of Article 4 of the Boundaries Water Treaty with Canada. Interior does not dispute this conclusion."

Now I wonder if the Minister has any comment on the water agreement between Canada and the United States as of, I believe, 1906 or somewhere in that area.

There appears to be some indication that there is releases from the International Joint Commission that Manitoba is not getting or probably the Minister has and is withholding from this House, insofar as there appears to be some guarantee that there has been information released from the International Joint Commission that has not been made available to Manitoba or if it has, the Minister has not made it available. I have questioned him on any possible interim report from the International Joint Commission, of which he says there would be none. Now apparently Mr. Jamieson Project Manager of the Bureau of Reclamation in North Dakota has some indication that there will be a guarantee to South Dakota that there will be no damage to the waters that may possibly be returned to the Missouri River, if it is returned to the Missouri River. If it is not returned to the Missouri River then there is no alternative but to the Souris. And I suggest, Mr. Chairman, that the Government of Manitoba are not taking the position that those states in the United States that are going to be affected by waters that Mr. Link says will not be further contaminated by the irrigation project . . .

Now I'd like some explanation from the Minister. During the question period I tried to get him to comment on these things and naturally in the question period he can restrict his comments. He can now. But I would like to give him some indication as the member has already indicated or asked for, some indication up to this point in what direction the International Joint Commission may be going and what influence may be had on that Commission Report by the stands that have been taken by the states of the United States that will be affected by possible further contamination of waters.

MR. GREEN: Mr. Chairman, I am unable to grasp the full import of the honourable member's remarks. He indicates that there is a report suggesting that waters, that the Garrison Diversion as presently envisaged would pollute Manitoba waters. We have been saying that consistently since 1970. We said that to the International Joint Commission. We said that after the Conservative administration between 1965 and 1970 when the thing was approved and went into condition said nothing.

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(MR. GREEN cont'd)

And the member was the Minister of Agriculture in a Conservative administration representing the Souris River Basin and said nothing about the Garrison Diversion when it was approved in Congress and when construction was started.

In 1970 a letter was sent by this government to Ottawa asking them to do something about the Garrison Diversion because it would pollute Manitoba waters. I appeared before the International Joint Commission and said that the Garrison Diversion as presently envisaged would pollute Manitoba waters. That has been the position that the Government of Manitoba has taken consistently. Why is that an issue? Certainly we agree with that, we agree with the letter that was sent to Mr. Kissinger. So it has been referred to the International Joint Commission.

The honourable member says that North Dakota and South Dakota, or Minnesota have done more. Have they stopped the Garrison Diversion? They have done more. Have they stopped the Garrison Diversion? We got a moratorium on the Garrison Diversion insofar as any works that would affect Canada are concerned. So they have filed a statement of claim in some court. Has the honourable member contemplated which court he would file his statement of claim in? Would he sue in North Dakota to stop the Garrison Diversion and rely on a judge in North Dakota, and be prepared to say that if the Minister sues in North Dakota and the North Dakota courts decides the matter, the Member for Arthur will be satisfied. And that would be a way in which I would protect your constituents. If I did that your constituents would lynch me, that's right.

MR. CHAIRMAN: The Honourable Member for Arthur.

MR. WATT: On a point of privilege. I am not talking about my my constituents, I'm talking about the Province of Manitoba. I'm talking about the entry of the Souris River which happens to be in my constituency.

MR. CHAIRMAN: Order please. Order please. The Honourable Member didn't have a point of privilege.

MR. GREEN: Whether he is talking about his constituents or not I am talking about them, and I have a right to talk about them. And the fact is that if I said that I'm going to protect you by suing in North Dakota and accepting their decision, they would lynch me. If I sued in Canada then the United States authorities would not appear and they would say that no Canadian decision is binding on the United States authority, so it would be no good by doing that. So we have taken it to the body which has been set up between Canada and the United States in 1909 to protect us and the honourable members says that Washington is doing more to protect us than we are. Mr. Chairman, that has exactly been our strategy as I have been telling the House year after year, that we have to get the American authorities to realize our position so that they will stop the diversion, that that is the most effective way of proceeding, and the honourable member has proved that we have been effected, and I've been saying that in the House for three years.

Now I don't have to listen to the honourable member. Because he says he's been asking me questions, I can hardly remember a great number of questions on this issue during the question period, but I'll accept the fact that he may have asked me some questions and I've tried to answer them. I appeared before the International Joint Commission and made the presentation on behalf of our province, read with some satisfaction the next day that the Leader of the Conservative Party, the Leader, Sterling Lyon, accepts the fact that Manitoba is doing the right thing vis-a-vis the Garrison Diversion. So if I do not have the support of the Member for Arthur, I have the support of the Leader of the Conservative Party, and despite the fact that I do not need his endorsement, nor would I want it for everything that I do, at least in this case I have it.

I have the communique that was issued, this is November 26, 1974. "The North Dakota State Legislature established a Garrison Diversion conservancy district in 1955," I guess there was a Liberal government in power in the Province of Manitoba at that time, "and President Lyndon B. Johnson on August 5th, 1965 signed Public Law 89108 authorizing the additional 250,000 acre initial phase of the Garrison Diversion unit irrigation project," In 1965 the Conservatives were in power. "Construction on the

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(MR. GREEN cont'd)"first of the project supply works, the Snake Creek . . . began in 1968," The Conservatives were in power and the Member for Arthur was the Minister of Agriculture. Not a word was said about the Garrison Diversion, and it is now 95 percent complete. "The start of construction on the McCluskey Canal, the second of the three major components of the supply works, followed in 1970," and it is now more than 70 percent completed and at that time Manitoba complained. "The Lone-tree Reservoir, scheduled for December 75 is the third major component. Now the construction of none of these principal supply works predetermines the areas which are to be irrigated. Since these works are necessary for any irrigation to take place, the present construction does not necessitate the use of the Red or Souris Rivers as recipients of return flows. Utilization of these rivers for return flows is conditional upon compliance with the Boundry Waters Treaty. Current estimates by the United States Bureau of Reclamation are that construction is projected to be left for the East Oaks area, which area affects the Red River in March of 1977, with first waters being applied to the irrigable areas in the spring of 1980." That means that there would be no water until 1980, but we are not concerned with the 1980 date, we are concerned with the East Oaks area which construction is projected in March of '77. Those are the facilities which will not be proceeded until there is a report from the International Joint Commission. "Construction is not projected in the Souris Loop area until 1980, until after 1980. These dates represent the earliest time at which final decisions for construction must be made in the areas to be irrigated, so that until 1977 there is no necessity for a final decision on the Red, and until" - well I guess that would be the earliest date that we could go by.

Representatives of the External Affairs Department, Department of Environment Canada, etc., were present at the meeting. That is not an agreement; that is not a letter; that is a communiqué issued by our government and the Government of North Dakota in public. The honourable member will like this, the Honourable Member for Fort Rouge. In North Dakota it is apparently the law that people cannot meet without the doors being open and the press being present. We have our meetings with Governor Link in the Cabinet room and we come out and say something afterwards. I happen to think that that is the better way. I happen to think that that is the better way. But when I went up to North Dakota last week, anybody can come in and the press is there, and as you are discussing with the Governor what you intend to discuss, everybody is present. You can then go and have lunch and no discussions take place. Then you go back and the press is again there. So the Member for Fort Rouge might find that to be interesting, and this is done in that atmosphere.

MR. AXWORTHY: Mr. Chairman, I thank the Minister for reading the communiqué. There is a question that arises out of it which I think would bear some examination and that is he said that the earliest date on which the commencement - and I believe the word was "commencement of construction" . . .

MR. GREEN: Mr. Chairman, I wonder if the honourable member will give me a minute. I just have a memo that the IJC Board has prepared a Progress Report which was released by the IJC and apparently there has been one provided to me. I don't recall yet going through it. If it's a report that I can make public I will make it public. --(Interjection)-- He says it has already been released by the IJC. I wonder what the date of that is. It may be just a report which is reporting progress which I may have read and not paid particular attention to if there's nothing unusual in it. It probably is a fairly pedestrian report merely indicating that meetings have been held, etc. If that's the case then I don't feel any sensitivity about really not remembering it because it wouldn't have said anything pertinent.

MR. AXWORTHY: Mr. Chairman, going back to the communiqué read by the Minister concerning the earliest date of construction. I believe he said that the plan at that time when the communiqué was released was in March of 1977 for the commencement of construction, I believe. Going back from that, Mr. Chairman, that means that in effect ten months from now the Bureau of Reclamation will commence construction provided that there has not been a decision in the meantime or that there has not been a decision by the IJC that there is a violation of the Treaty. Perhaps the Minister will let

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(MR. AXWORTHY cont'd)me go through this. First it is, I suppose, a standard practice that any construction of a major sort that we're contemplating has a good amount of lead time required. I expect that if the construction is to commence in March of 1977, ten months away, there is already a fair degree of preparation for that construction. Otherwise the State of North Dakota or the Bureau of Reclamation would not be able to start in 1977. That was one of the questions that I had, to what degree has the moratorium that was established, in effect said, hold the bulldozers back until you get the go ahead, or in fact are they massing their forces ready to dig the first shovel pit on March 1, 1977. Perhaps the Minister could answer that. That would really indicate, and it would follow from the notice he read, what is the timing that he sees in terms of the schedule of the announcement or the decision, recommendation, of the International Joint Commission. Is it followed then by some period of reaction and decision by the United States Government and by our own governments? It seems to me that we are getting ourselves into a fairly short time span at this stage and I'm wondering if there shouldn't be something done to see if we can at least get some specifics as to when the dates will be so that we are sure that we don't get ourselves caught short.

MR. GREEN: Mr. Chairman, the honourable member asks a legitimate question. This communiqué was made before the matter was referred to the International Joint Commission. This communiqué was made on the basis that we were still trying to find out whether they could agree that there was a violation of the Boundary Waters Treaty. There was then a meeting held - I believe it was in January of 1975 - where they all agreed that there was no way in which this thing could be agreed to. That's when the Honourable Mr. MacEachen said that it would go to the International Joint Commission. So we were looking at these dates as being the dates by which we had to do something on the basis of making arrangements or seeing whether anything could be arranged amongst ourselves.

When the matter went to the International Joint Commission - the Commission proceeds on the understanding that the matter which it is dealing with would not be proceeded with until the Commission makes its report. In other words it will not fly in the face of the Commission report. Although I don't remember it in writing anywhere, Mr. Vine again said in public, in Winnipeg last week, that they have a voluntary moratorium on any linking project until they receive the recommendation of the International Joint Commission and that they will not violate the treaty.

So although these dates appear to be fairly close, and I agree that they are close, it's one year, the situation has changed since this communiqué. Because the matter being before the Joint Commission, the Americans have told us that their undertaking will extend to the fact that they will not proceed until there is a recommendation of the International Joint Commission. I perhaps can get that more firm than I have it at the moment but this statement was made by the Commission and has also been made by the Under-Secretary of State, Mr. Vine. He made the statement in Winnipeg last week when we had this Canadian-American dialogue.

MR. CHAIRMAN: Resolution 86(e)(1)--pass; (e) (2) Other Expenditures--pass; 86(f) Program Development and Review: (1) Salaries--pass - the Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): Mr. Chairman, one very brief question. I wonder can the Minister advise, has the department switched over to the metric system now or are you in the process of it or has it been considered at all by the department.

MR. GREEN: Mr. Chairman, I do not believe they have switched over. There is a government Sub-Committee of Management which is dealing with all problems of metric conversion. That committee is supposed to be working in such a way as to co-ordinate when these switches are taking place. So there has been no switch over to the metric system except that the honourable member will know that most of the scientists use centimetres, metres. That's not a switch over; they've been doing that for years and years. I'm also advised that sometimes, particularly now, we are indicating both metric and the conventional system in measurements and things of that nature.

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MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I wonder if the Minister could indicate under this appropriation whether his department is in any way involved or planning to be involved or is developing any programs of environmental study assessment review, or whatever, related to the development of the nuclear technology and nuclear power plants in Manitoba. It seems to me that the questions that arise of all kinds and sorts and particularly the latest developments where there has been a very strong reaction in the nuclear power programs in the United States, indicate that there seems to be a number of consequences that weren't first foreseen when this technology was introduced. Mr. Chairman, I'd like to find out if the Minister and the department are undertaking any of these examinations or planning programs that would relate to them.

MR. GREEN: Mr. Chairman, the answer is yes. I think anything further I might say would be sort of the obvious verbiage. The department is now discussing with Manitoba Hydro and I believe Atomic Energy of Canada, the kinds of studies and information that are needed relative to any suggestion that there will be atomic energy generated, power generated in the province. That's about as general as the situation is. I don't think I can report definitive progress other than that, yes, those contacts have been made and the discussions are taking place.

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MR. CHAIRMAN: 86(e)(1)--pass; 86(f)(2) Other Expenditures--pass.

Resolution 86: Resolved that there be granted to Her Majesty a sum not exceeding \$3,928,300 for Mines, Resources and Environmental Management--pass.

Resolution 87, Mineral Resources - (a) Administration: (1) Salaries and Wages, \$438,300.00. The Honourable Member for St. James.

MR. MINAKER: Thank you, Mr. Chairman. I hope that you, Mr. Chairman, and the Honourable Minister will bear with me in some of the comments I will make under this particular resolution, in that hopefully to expedite the Honourable Minister's Estimates through the House, because in the Honourable Minister's opening remarks he made mention to exploration and other items that we could deal with under those particular items. But I think to handle it in a general overview point of view, that it might be more expeditious if we handled it in this manner.

I know that I don't have to remind the Honourable Minister of the importance of mining or the mineral resources to our province, and in fact particularly the importance it is to our northern regions where it has played a very important role in the opening up of our northern regions and the development of the north. And I would say probably one of the main reasons why our northern area has opened up, we appreciate that the hydro developments have played a great degree in the opening up of our north, as well as trapping and fishing, but I would think that where the initial, I guess we would call urban areas of the north, have developed, have been related to mining developments.

And also I would like to draw to the Minister's attention, the importance of energy in today's way of life, now that we realize the shortage of energy is coming upon us, that this very concern can also relate to the petroleum industry that we have in our province and the development of that industry, because I think the Honourable Minister indicated the other day in a public release that any gains that the province might benefit from the \$1.05 a barrel - I think that's the figure - that the province would gain in terms of dollars from the production within Manitoba, would be far short of the amount of moneys that we would have to spend that would end up either in Saskatchewan, Alberta or other provinces that are developing.

And I raise this particular issue because of concerns that some of the smaller producers have in the southwestern region of our province. I will comment on that in a few minutes in more detail. I would like to point out in the Honourable Minister's opening remarks, I believe he was relatively proud of the comments he was making of the achievements of his department in the exploration, and in general the mining industry in Manitoba. But I would like to draw it to the Honourable Minister's attention, some of the effects that I believe the Government of Manitoba in its general policies has had effect on the expansion of the mineral industry, or the mining industries in our province. And I am going to quote from a little booklet called "1975 Facts and Figures of Mining in Canada," and in particular in reference to comments it makes about Manitoba. I would like to draw to the Honourable Minister's attention and the House's attention a summary of of provincial mineral production in Canada, as it relates to the gross provincial product. And when one goes down the relationship to what has happened in 1973 and what is happening in 1974, and I might point out to the Honourable Minister that in 1974 I believe we were sort of at the peak of the world market prices in many of the minerals. That in Newfoundland there was a general increase from '73 to '72, I mean '74, of the part that the mineral production played in the total provincial product of that province. There was an increase in Prince Edward Island, a small province. In fact there was generally a 25 percent increase. And knowing how the Minister knows that I use statistics, I'll tell him that the increases from .3 percent to .4 percent, but the very fact was there was an increase. There was an increase in Nova Scotia. There was an increase in New Brunswick. There was an increase in Quebec. There was an increase in Ontario. Yet in Manitoba there was a decrease. And there was a decrease of some 8 percent, in the part of the provincial product that mining, or the proportion of the gross provincial product. And in Saskatchewan, they're not available for some reason, I can't understand that. Alberta there was - well obviously we would recognize that there would be a great increase in the general percentage because of their oil holdings. B.C. was an increase. Canada in general, there was an increase. But the very fact is that in Manitoba there

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(MR. MINAKER cont'd) was a decrease. So that it is not as rosy as the Minister might point out, the health of the province in the mineral productions as it compares from year to year. I would also like to point out to the Honourable Minister that I would presume - we don't have the figures before us - but I would presume that there has even been a further falling off of the percentage that the mineral production is of the gross provincial product, because we know that the world prices in nickel, in other base commodities fell last year.

Mr. Chairman, I would also like to comment that in regard to the petroleum industry in our province, that while there was an announcement of a recent increase the other day of some \$1.05 a barrel that hopefully would encourage the further expansion and exploration of the oil industry in the various provinces, I would like to draw to the attention of the Honourable Minister what in actual fact has happened with that increase. And I can advise the Honourable Minister that these are actual, they're not hypothetical examples of what is happening, they are actually figures of existing oil wells in our province of a small producer. And I might point out to the Honourable Minister that to give him an example of, say, a 10 barrel per day well, which really, my understanding is the maximum that a producer can get in regard to the incremental tax, is the 10 barrel per day well, that when one subtracts the percentage that the Manitoba Government gets either in royalties or the incremental tax, and what the Federal Government gets, and when one subtracts the royalty that might be paid to the owner of the land, and when one subtracts the services to maintain the production of the oil coming out of the well, what is left over for the owner? And I would like to draw this to the Minister's attention, that prior to the increase there was something like \$1.93 a barrel out of the \$8.92 that was left over for the owner. It is now increased to \$2.21 an increase of 28 cents per barrel, which would appear to be attractive. But what the basic problem is, and I'm sure that the Honourable Minister realizes this, and why there isn't any great exploration occurring in the oil industry in Manitoba at the present time is, when one multiplies that net return to the producer, based on 10 barrels per day, and one does have shutdowns of a well for a short period of time, probably 10 days a year, that you're looking at something like about a \$7,000 to \$7,500 return on an oil well of this type, but the actual cost to drill that oil well, is somewhere in excess of \$75,000. And the problem the producer has, the small producer, is that when he goes out to borrow money for exploration, he's probably talking about 13 percent interest on his money.

Then Mr. Chairman, if we look at the extreme case of 25 barrels per day, and I have to advise the Honourable Minister that there might be a degree of theoretical values used in this because the individual I talked with does not have a well that produces 25 barrels a day - he comes very close. But using as close as he can to that example, that in that one particular the field price is \$9.19 a barrel in Virden. When one takes off the trucking costs, and so forth, what is left for the producer is somewhere in the order of \$1.16 a barrel out of that \$9.19. The actual the Manitoba Government is retrieving is something like \$3.75 a barrel. So there has been an increase from 99 cents a barrel to \$1.16, a total of 17 cents a barrel. But again the problem comes up when one applies that multiplying factor of how much one gets per barrel over a year's service of the well, it still ends up down in that 10 percent return on the money. And the Honourable Minister realizes that there is, I think, somewhere in the average of about a 60 to 75 percent chance of drilling a good well in our area, from past history.

But what further complicates it, Mr. Chairman, is that in dealing with expected cost increases for the coming year, the particular producer used an average increase of 10 percent in production costs. And I might point out to the Honourable Minister that in actual fact in the past year to a year and a half I can advise him of some of the increased costs that these small producers have had, or any producer in the oil industry has had. Transportation by trucking to a central point to dispose of the oil that is collected has gone up something like 34 percent. The service rates to service the facilities have gone up over 25 percent. The minor service such as they do to clean out the well with acid, acidification as they call it, has gone up 24 percent. The equipment parts have gone up 65 percent, and I think the Honourable Minister would be interested in this particular one,

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(MR. MINAKER cont'd)the hydro rates have gone up 110 percent. They've gone up from \$5.00 per horsepower to \$10.50 per horsepower in the last year and a half. So what is happening Mr. Chairman, is that there is no private activity in the oil exploration in Manitoba, yet people who are knowledgeable of the geological conditions in the area are quite confident that there is oil there, very confident, yet they cannot economically look at trying to drill a well.

So what has happened in the past few years, Mr. Chairman, is a fact that I think last year there was three wells drilled, and the Honourable Minister is aware of that because the Manitoba Crown corporation got involved in the participation of the drilling of these wells. But I'd like to point out that the only people that drilled these particular wells were Americans, because they had a tax write-off that they could utilize to their advantage, whereas, the Canadian small producer does not have this tax write-off advantage.

I might also point out to the Honourable Minister that there will be some wells drilled this year. I'm sure he's quite familiar with it because an Order-in-Council 531 approved participation of the Mines and Resources and Environmental Management taking part to the tune of some \$63,000 to drill, or take part in the drilling of new wells. But again it's an American oil company that will take part not the small producer.

So what has happened with the particular important industry that we have in our province, and why I say it's important is because if we can find oil in our province, and there is oil in our province, and people are confident that there is, then it makes us a little less dependent on Alberta, a little less dependent on Saskatchewan. I might also point out that because of the present conditions that are existing that it does not make it economically feasible to water flood. And we know by that water flooding wells, and not all wells necessarily can be made more efficient by flooding but there are some in our area that can be, that one can retrieve I think up to 75 percent more oil out of a well by water flooding, again bringing more of that non-renewable resource to the surface to use. So that here is an example of where because of government policies, both federal and provincial, that private money has been turned off, particularly in Canada, because there's no tax relief, there's no incentive, and the only people that seemed to be wanting to drill for oil in our province are out of the country people, Americans who can write off in tax reasons, and American companies that the government will go in partnership with.

Mr. Chairman I can't argue with some of the principles that the Minister puts forward, because they're good business principles. And I particularly make comment to the comments he made to the, I believe it was Canadian Institute of Mining and Metallurgy, about wanting a fair share for the people in Manitoba, we all do. But where I question the Honourable Minister is in his sincerity of really wanting the private sector to become involved in the exploration. And I put that to the Minister because the Minister in his opening remarks said very clearly to us in the House here that it's not a matter of life or death whether the private people come in. If they want to come in fine. Come in. We don't need you, but if you want to come, we'll take you, type of thing.

And the, Mr. Chairman, we get notes of an address by Mr. Carpenter, the Vice-President of the Hudson Bay Mining and Smelting, of this year that he presented to the Rotary Club. Well I would think he is sincere. He's a businessman. We're talking about two people so I question you on your sincerity. And I'll quote from his comments, "I would like to mention just two other concerns about government initiative or lack of it. They are directly related to our operations and must therefore have an influence on this community." and he was referring to the Flin Flon community, he says, "Of particular concern is the Manitoba Government's continued failure to recognize appropriately the need to encourage exploration and expansion within this province. As you know we have reduced our exploration budget for Manitoba again this year. This does not reflect the lack of confidence in the potential of this area, it is simply the result of insensitive government policy. We did participate," and I would like to underline this. "We did participate with the government on a 50-50 basis last year in exploration programs involving ten properties. We do not plan to continue. Unfortunately nothing of economic

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(MR. MINAKER cont'd) importance came to light, and we were also faced" And I would underline this, and if the government has changed its attitude, I hope they have. "And we were also faced with government paying only a portion of, not 50-50, but only a portion of its share of the expenditures incurred on these programs."

So, Mr. Chairman, we would like to know just how sincere is that Honourable Minister and his department in their gestures of wanting the private sector to take part in this exploration because we know that the expertise that has been developed through the years, through lots of millions of dollars spent are there in the private industry, not in the government's department, like the Honourable Minister has indicated there's that initiative. There might be that initiative, but is there that expertise to run the mines, is there that expertise to find the minerals, because we're not talking about hydro where it's a visual potential, we know when we go up north, we see the lakes, we can measure the differences in elevations, we can figure out the potential of the hydro possibilities, but we cannot find those minerals from looking above, sometimes we can find them by instruments hopefully that they're there, but it's not the same ball game as going up and developing the hydro which we can see, we can recognize its potential by measurements and by the knowledge that has been developed, we're talking about a different ball game, we're talking about the unknown, where is it, and can we find it type of thing?

Mr. Chairman, it's very interesting that in a speech that was presented to the Mining Institute not too long ago, the Canadian Institute of Mining in Winnipeg by Mr. Elliott, he made a very interesting comment with regard to prospectors, and we talked about the importance of prospectors big and small in the mining industry last year when the mining regulations were put through, and I'd like to quote from a comment he made, and this pertained to the British Columbia mining industry, which is a big industry. He says, "I have recently completed a survey of mineral discoveries in British Columbia which shows that approximately 85 percent of the deposits now known were originally found by either a prospector and/or a small mining company." So there is an importance to the small prospector, and there is an importance to a small mining company. But with the regulations that this government has passed, well, it has eliminated the small prospector and now my understanding is the Minister has 43 prospectors on his payroll, the government's going to do it. The government's going to spend the money. They're not going to have the little guy go out and do the grub staking and go out and do the looking with the idea that maybe someday he'll get five or ten percent of that pot at the end of the rainbow. But in the meantime it hasn't cost the taxpayer any money.

And why I stress on this, Mr. Chairman, is the fact that we're not living in a vacuum where we can just say today, well we're going to cut off anything that happened before in the mining industry we're going to go our route, because we have potential up there, known potential, unknown potential, that helps to develop our way of life here and our quality of life, but all of a sudden we find out, and it's been known for years, that there's billions of pounds of nickel on the sea bottom, and then we find out that the world organization the UN is talking about, let's make it that they cannot increase the production of nickel, landlocked nickel to encourage the development of sea nickel. What is that going to do to the price of nickel, what is it going to do to our northern Manitoba mines? Because there is one thing that this Minister cannot deny, and one of the things that causes a problem in his whole plan, is the fact that the price of minerals is based on the supply and demand of the world market and you cannot play the supply and demand game isolated in Manitoba with another theory, that you can sit back and wait and try and develop the mining industry as you feel fit, or as you can draw the money from the budget of a million people, because, Mr. Chairman, the hydro developments that were announced the other day will take \$1.1 billion, where is the Minister going to get his money for his mining explorations? Where is this Minister going to get his money when he finds out that there happens to be minerals in the ground? Mr. Chairman, the Honourable Minister is fully aware of the competition in the minerals are becoming keener and keener, even with the landlocked minerals, that the day when Inco had great percentages of the world market in nickel are gone, that we now know that the amounts and percentages of produced nickel that was sold on the world market to the world outside, the export trade,

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(MR. MINAKER cont'd) are gone.

They become very important to us because, Mr. Chairman, one of the advantages that the new world has taken of different things, and the Honourable Minister will I think admit to this fact, one of the reasons why we have a better way of life to a large extent is that we have been greedy, we have exploited certain people. I think that Canada and the United States have maybe exploited Japan with their low labour rates to produce goods so they were brought over here and they were sold at lower rates; there was protection tariffs put on to try and protect the industries in Canada. Well the same thing applies with regard to mining and that's why the incremental tax was placed on by this government, that there was a shortage of a particular mineral and as a result of the demand for that mineral and the supply of that mineral, the prices were up. As a result we had mines open up in our province and we had the wealth, not only come into our province, some of it went out, we admit to that, but what is happening now is that rarity to some degree is changing because we're getting mines opened up all over the world, and we just can't sit back and say, we're not going to do anything for ten years because the whole picture could be changed in ten years, but in the meantime we see what has happened, the participation or the proportion of the mining industry in Manitoba in the past year has subsided, it's dropped, whereas everywhere else in Canada it's increased. I suggest, Mr. Chairman, that the reason that has been is because of the governments policy on exploration, its general attitude of the mining Minister, and worse still is the attitude of the Province of Saskatchewan with the potash mining, that that cloud overhangs all the mines in Manitoba because we do have an NDP government here. So there's always that thought and there's that attitude taken by the Minister that in the mining industry he knows we're in somewhat of a crap game, when we go out to find mines or explore, we're rolling the dice. But what this Minister is, he's controlling the House rules, and the attitude of the Minister is such that if you want to play, fine, if you don't that's your problem. But further yet clouding over the whole issue is the fact that this Minister can close down the game anytime he wants, but not only the the Honourable Member for Flin Flon who represents a mining community says, now you're talking - oh I'm sorry, the Honourable Member for Churchill.

So that I'm sure that the government is sitting back waiting to see how the Province of Saskatchewan fares on the potash mines and they will take their steps in the manner that they think they can achieve the same objectives. I question the Honourable Minister whether that is the correct objective because I don't know whether the people of Manitoba want to work for the government in northern Manitoba. I don't know whether this government can afford to try and mine the north, because something will have to suffer, and I'm afraid that we do not have the expertise, that it will be one of the massive failures of our province, and this is our concern, Mr. Chairman, and I question the sincerity of the Minister when he says that he wants the private sector to take part 50-50 with his government in the development of mining in our province.

MR. CHAIRMAN: The Honourable Minister of Mines and Natural Resources.

MR. GREEN: Mr. Chairman, the honourable member questions my sincerity in a remark which I've never made. I am sincere in saying that there is a position for the private sector in Manitoba if they want it. I have not said anything more and I claim no sincerity for any other statement. I claim no sincerity for a statement that I am dying to have the mining industry, the private sector industry continue to participate in the Province of Manitoba, because I've never said that. I would not claim any sincerity for a statement that my life depends on the mining industry, or the life of the Province of Manitoba depends on the private mining industry taking part in the future explorations and development in the Province of Manitoba. Since I did not make that statement I claim no sincerity for it. What I do claim is that we have correctly stated to the industry that it is our policy that the existing industry, and the investment that they have made will be entitled to realize reasonable expectations, and that we have no intention of interfering with those reasonable expectations. And if the mining industry said to me that we are not going to pay the taxes to the Province of Manitoba but we are going to use every means at our disposal to disrupt the Province of Manitoba in the collection of its taxes, then that

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(MR. GREEN cont'd) is a changed ball game, and I want you to know that that is what the potash industry told the Province of Saskatchewan, and when I appeared at the Mines Ministers' Conference in the Province of Saskatchewan Mr. P. got up and grinned to the entire crowd, and here I am Saskatchewan's biggest tax evader. Well he is now Saskatchewan's biggest subject to takeover, and it's Blakeney who is smiling and not P. . . . Now if they want to play that kind of a game then that is what is going to happen, and I do not blame the government of Saskatchewan for the way in which they have proceeded. But we do not have that problem with the industry in the Province of Manitoba, we do not have that problem. The honourable members have been looking for it for five years, if we could only find something to show that the mining industry is yelling foul, and what they have taken is a statement by Mr. McIntyre --(Interjection)-- Mr. Carpenter, is that his name? - Mr. Carpenter, Hudson Bay Mining and Smelting? You know, when we made up these regulations my biggest fear --(Interjection)-- Mr. Chairman, Mr. Chairman, the mining industry met more with me in the years that we have had this industry. . . .

MR. CHAIRMAN: Order please. If the honourable member wants to. . . .

MR. GREEN: . . . the mining industry has met with me and I've met with them more often, and we have got to know each other, more often than all the previous years of Liberal and Conservative administrations put together, because we invited them, and we have met with them three times a year and other governments didn't meet with them three times, period. So don't talk about getting to know them, but when a man gets up and says that we are stealing his money, then I refuse to remember his name. Because, if we are stealing his money we've got courts and he can sue for it, he can sue for it. But when he goes to his shareholders and tells them that we are welching on our share of the deal, then I say I don't remember his name. He can go to court the same as us if we say that he is taking our money.

When we made up these regulations my biggest problem, and it was conveyed to our department, we are putting up 50 percent of the money, they are doing the work, how do we protect the accounting, and I was advised sincerely that we are able to rely on certain procedures, we are able to rely on certain advice, and the accounting can be firm and we will not be paying more than we have to pay. And the Honourable Member for St. James should be wondering how we are protecting that 50 percent, how we are making sure that we are not paying too much. He should not be coming into this House representing the Hudson Bay Mining and Smelting Company, worried about them getting their share but that's what he What he should be saying, is are you sure that you're not paying them too much money? Because they have every opportunity of collecting their share, they have every opportunity of collecting their share, and if they don't pay it we are subject to the law. Mr. Chairman, if Mr. Carpenter won't deal with us on the basis that we are both proceeding in this venture together, Mr. McIntyre or Mr. Carpenter? Well I can't remember a guy's name if he's going to go out and tell the public that he's in a venture with us and the Province of Manitoba didn't pay its share. He knows how to collect it, and I'm going to tell you that I'm glad, I am glad that our officials are watching their accounts. I am glad that our officials - and I don't want them to pay what they are not entitled to yet. I am not going to say that when Mr. McIntyre says, jump, pay \$150,000, we jump. Maybe you jump, but I don't jump. When he says pay \$150,000 I say, I want to see your figures, I want to see your expenditures.

Mr. Chairman, if the honourable member was sincerely interested, sincerely. I question his sincerity as to whether he's worried about the funds of the people of the Province of Manitoba when he can get up and say that they didn't pay their share and reads from - what's his name Mr. Carpenter? Or Mr. McIntyre, or McArthur, that he did not, that the government of Manitoba didn't pay their 50 percent, the Member for St. James, if he was sincere would come in and say, I'm glad you're watching those accounts. If you didn't pay your share, the Hudsons Bay Mining and Smelting Company has a right to sue you and you will have to pay - there's arbitration provided right in the agreement. Now, Mr. Chairman, I'm glad the honourable member brought this question up because I want to read to the honourable member the report.

There were nine programs received from Hudsons Bay during the period

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(MR. GREEN cont'd)December 12/74 to December 20/74. You know, he made his, McIsaas, McIntyre made his report to the shareholders, now I'm making my report to the shareholders and talk about who's paying their share. 'Nine programs were received from Hudsons Bay during the period December 12th to December 20th of '74. Of these one was later withdrawn by Hudsons Bay on the 17th of February '75, and 50 percent participation was indicated on all the rest. Two further programs were received from Hudsons Bay on January 7th, '75, but no participation was indicated. Two programs were received on February 21st and 22nd, '75, and again 50 percent participation was indicated, there followed several months of prolonged negotiations between the department and the company during which numerous amendments were requested by the company. Finally on July 31st, '75, signed copies of agreements covering the ten programs were received Hudsons Bay, and these were executed on August 13th, 1975. From September 17th, '75 to October 10th, '75, claims for the month of January through May '75, were received for the ten agreements, total number of claims exceeded forty. Claims received were difficult to follow." Here's this big company with all kinds of accountants and who do everything efficiently they were difficult to follow. "Although backup material was sorted by agreement, it was not sorted by months. The first task was to identify what charges pertained to what months. After careful review of the claims it became obvious that all backup material required was not presented." A private company, a wonderful company, didn't present the backup material for the claims, but they said we want the Minister to jump to show that he is going to be on good terms with the Hudsons Bay Mining and Smelting Company.

So, we don't have to present backup material, and I say, nuts to you, you'll present the backup material, the same as we have backup material to be presented from the person who is on welfare, and says that they are starving and they have no money, they will show that they have no source of income. And when we request material for Hudsons Bay Mining and Smelting Company, who wants our money, we will ask for backup material, and if they don't like it they can sue us or go to arbitration. We were able to pay approximately two thirds of the claims, and cheques were issued November 18, and December 5, 1975; payment time ranged from 39 to 56 days on eight of the agreements; payment times were 62 days on the other two agreements. On December 12th the letter was sent out to Hudsons Bay detailing disallowed charges and requesting further documentation to enable payment. An acknowledgement was received January 15, 1975, promising the requested documentation. On December 19th and 29th, 1975, claims on all ten agreements for the periods June to October 1975, were received. Documentation for these claims was of the same type used in earlier claims, but due to the nature of the charges only 30 percent of these claims were paid. Cheques for these were issued February 16th, payment time being 49 days. At this point 66 percent of all claims have been paid. On January 15, 1976 further documentation under January to May claims were received. However, the major problems first encountered were not resolved and 10 percent of the previously disallowed amounts were paid. Cheques were issued on February 27th, 1976, payment time being 43 days. At this point 69 percent of all claims had been paid.

In order for charge documentation to be acceptable, a number of criteria must be met. It must show that the expense has been incurred. Is that a terrible thing to require? It must show that the expense has been incurred. That it was an approved expense for the program, and that it has been paid. That's a terrible thing to demand of them, to show that they did incur the expense, that it was approved and that it was paid. Since the documentation did not provide this information, payment could not be made. Darn rights. And I tell the staff here, now listening, that you will continue to make sure that the charges, that the expenses have incurred, that they are approved and that they have been paid.

A letter to Hudsons Bay was sent detailing disallowed amounts on the June to October claims and requesting further documentation for the unaccepted amounts for all claims. Through a telephone conversation with Hudsons Bay it was determined what type of documentation was available and suitable for our purposes. On February 25th, 1976 and March 19th, 1976, documentation was received warranting payments of the major portion of the disallowed amounts. The cheques were issued on March 15th, March 31st and

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(MR. GREEN cont'd)April 2nd respectively. Payment time being 19, 12 and 14 days.

The outstanding amount of the claims being less than 2.5 percent was not paid, as they represented prorated indirect costs not acceptable under the terms of the agreement - and we have no intention of paying them, and if we are wrong, let them take us to arbitration, let them show that the amounts are payable and if we have to pay, we will pay. That is right. --(Interjection)-- Well, he says, yes, we have to maintain a good relationship with Lord McIntyre, or Lord McArthur, and we said that we should not in any way spoil his breakfast, we should pay. That's all. That's all that the Member for St. James said. --(Interjection)-- Well, I'm telling you, I have to tell my caucus members that we are not paying. We are not paying what they are not entitled to.

The charges inadvertently omitted by the company in their original date, inadvertently omitted charges, in their original submissions were received on March 5th and April 1st, cheques were issued on March 16th and April 13th, 1976, payment time being 11 and 12 days respectively.

Now, if the Hudsons Bay Mining Company feels that to collect bills they should go to the public and have Harry Mardon write that we are defaulting on our claims, if that's the way he wants to get paid, then I say, Mr. Chairman, as far as I'm concerned, we are dealing with all kinds of people, we believe that we are having integrity in our dealings and we are acting, Mr. Chairman, much as the private mortgage companies acted when I had to get payments from them for construction contracts, or homeowner builder contract, they demanded material, they were entitled to it, and I did not get the cheque until I gave them the material. And that is the way that the department is going to behave, that is the way they have been behaving, and that is the way they are going to continue to behave.

Mr. Chairman, I want to deal with some of the statistics that have been raised by the honourable member. First of all, Mr. Chairman, I want to tell the honourable member that he could not do me a greater favour in terms of what we are expecting from our staff, than to be saying the kinds of things that he said as to the questioning of their competency as to whether they can do the job.

We have on our staff, Mr. Chairman, the Deputy Minister who has been in the mining industry all his life. Started in the mines, which is something that is very unique to the mining industry. We've got a lot of them. John Munn started in the mines, Johnny MacCready started in the mines. We have Jack Roper who managed a mine. We have Dr. Ian Haugh, who is our Assistant Deputy Minister. I didn't mention his name earlier, I had regarded Mr. Roper as being the man who is generally in charge of the mining sector. Dr. Haugh is now in charge as Assistant Deputy Minister, who is a trained, and in my opinion, a very competent geologist who is now being sought, his department is being sought with him in charge by private firms as consultant as to the things that they should be doing in the Province of Manitoba. We have Albert Kaufman, the President of our Mineral Resources Corporation, who has probably found more mines in the Province of Manitoba than anybody now on the scene.

And we have a staff of dedicated, energetic geologists, who I am sure are going to be more dedicated and more energetic by virtue of the Member for St. James' remark that they are incompetent to do what is being done by the geologists in the private industry, and really nothing, nothing that I could have said, could have spurred them as much as the Member for St. James, and therefore I am very indebted to him, because I believe that they can do the job and that they will do the job and anyone of them would be hired by the industry to do the kind of work that the industry expects with respect to the exploration in the mineral fields. So I'm indebted to the Member for St. James for giving that extra initiative to our staff.

The honourable member has quoted some statistics, and you know if was an interesting statistic that he quoted, and the member likes statistics so we'll play his game for a while. He said that he is going to show that the percentage of money, or the percentage of production that is relied on, that was produced by mining of a provincial economy went up in Prince Edward Island, went up in Newfoundland, went up in Ontario, went down in Manitoba, and he indicated that as being a lower level of mining activity.

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(MR. GREEN cont'd)Mr. Chairman, there's an interesting statistic that has to be compared with that one, which deals with the value of mineral production, and in 1973 it was \$419 million; in 1974, \$486 million, up by \$70 million, or up by, well, almost 20 percent; and in '75, \$533 million, up again. What is the feature of the two statistics? The feature of the two statistics is that the amount that the economy has depended on mining, even though mining has gone up, has gone down.

Now the honourable member being a slight economist should then take that statistic, and if I were to utilize it in as self-serving way as he has, he would be saying Manitobans other areas of the economy have shown tremendous strides, and that in fact did occur, some of it, not through any great activity on our own, but the fact is that the Prairies did experience much better pricing in some agricultural products, certainly in 1974, to a lesser part in 1975, and --(Interjection)-- Pardon me? Well, Mr. Chairman, you know, I have not come into this Chamber in the delivery of my program and presented these statistics as demonstrating how well we were doing in mining production. I came in and merely said, that we have maintained the level of exploration. I didn't even refer to production. I took exploration, and I said that it used to be roughly \$5 million a year. It is still \$5 million a year. I even said that there may be a slight diminution because the dollar doesn't buy as much. So I did not use that statistic in a self-serving way. But now that the honourable member takes that statistic and tries to demonstrate that that statistic shows the decline in mining production, what the statistic could equally show, is that there has been an increase in production in every other sector of the economy to the extent that even though Manitoba has increased mining production, its economy is so healthy that it doesn't depend as much on mining as it used to. That's what the statistics said. Well, the honourable member is laughing. I tell you that that makes as much sense or more than taking a statistic which shows that you are at an 8 percent level of the economy, and has gone down to 7 percent, with your production up. So it shows that other things have gone up, and really I expect from the Member for St. James to be saying that, isn't the Manitoba economy just wonderful, that mining which used to constitute 8 percent of the production total and which has increased in value, doesn't even constitute 8 percent anymore because so many other things have come in and constitute greater percentages than they used to constitute.

Well, the Member for Lakeside is laughing and I rather expect that this is funny. It is funny. It is funny. It is funny that the Member for St. James would present that statistic as indicating a decline in mining production. We have problems in mining production. The Member for Riel asked me yesterday, Dumbarton Mines is indeed winding up, the ore body is mined out, it has nothing to do with the government. If there was more ore there they would mine in spite of the government, whether it was Tory or Liberal. The mine at Lynn Lake is a problem. The mine at Clarke Lake, the Wabowden Mine I've indicated is on its declining years, and we are exploring in the hope that what is declined will be replaced by other productions.

The honourable member seems to suggest that we have a real problem because Inco doesn't represent 95 percent of the world's nickel market as it did before. That's another funny statistic. It doesn't represent 95 of the world's nickel market as it used to, but it is producing and selling more nickel than it ever used to. The figures for production and sale of nickel by the International Nickel Mining Company have gone up in spite of their share of the market having gone down. Now what does that mean, Mr. Chairman? It means that nickel products are being used by more and more people and consumption has gone up, and if we get to the stage where the developing nations or the third world, the nations of India, and China, start adopting some of the consumption patterns that have been adopted in the west, there is absolutely unlimited availability of markets because those two countries alone constitute more people than I think all of the rest of the people in the world put together, and they would have to start consuming on the basis of western consumption. If they start consuming on the basis of western consumption, we have no worry about selling nickel if we find it. We may not be able to get the price we want at all times, and every mining development is based on not bringing into production that kind of nickel which isn't reasonably within

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(MR. GREEN cont'd)the range of prices where it will be profitable, and I suppose that if we found .2 percent nickel in substantial quantities we would not develop it. If it's .2 you wouldn't develop .2. But, some day when all of the 3 percent is used up, and all of the 2 percent is used up, and all of the 1 percent is used up, people are going to start mining that kind of nickel on the basis that there is a consumers' market for it. It will be more expensive to get and it might be more expensive to buy, although times change. Your technology for finding it and producing it, could also change, which is what has happened in the last 100 years, and there's no reason to suspect that in the next 100 years you won't make as much technological progress as you have made in the last 100 years. So despite the fact that Inco's percentage has gone up, they have not suffered. Their sales have gone up, their production has gone up, and their total volume has gone up.

The honourable member has indicated some problems, vis-a-vis the petroleum producers. I am sincerely of the belief that the main reason that you do not have significant petroleum exploration in Manitoba, or significantly greater petroleum exploration in Manitoba is for the same reason that you did not have significantly greater exploration for petroleum in the Province of Manitoba under a Conservative Administration, that there are less prospects for petroleum discovery in the Province of Manitoba. That doesn't mean that we have not had anything. We had 28 wells over the past few years, because the honourable member is not including the 25 wells that were engaged in by Asamera Oil, which were dry wells. We now have 12 to 15 wells this year being drilled. They're being drilled by small companies. You know, because a fellow is an American doesn't make him a big company. I don't regard D. . . Petroleum as being a particularly big company. The man is an American. I don't hold that against him. He's been drilling in this province. There are other people who have been drilling in this province. --(Interjection)-- Pardon me? Well, Mr. Chairman, we are willing to participate 50 percent in the program of anybody who wishes to drill for petroleum in Manitoba. of any race, creed, colour, religion, or nationality. Canadians, Conservatives, anybody. So, we have nothing against the Canadians here. I don't wish it to be construed that because we have dealt with Americans we will not deal with Canadians.

The petroleum taxes that are paid by the petroleum wells in the Province of Manitoba, are probably the lowest in Canada. Probably the lowest in Canada. Saskatchewan tax topped almost everything on the incremental, or as much as they could get, and Mr. Lougheed was taxing 65 percent above a certain rate. Ours at the present time, if they're not the lowest, they are not prohibitive, and we have maintained our level of taxation despite the fact, and it's built in in such a way that there is a certain accrual to the province as a result of increased prices, but there is still something that goes back to the industry.

I did have an answer to the honourable member's question that the increased taxes to Manitoba would be approximately 30 percent of the increase in the price that is being received. I did have the answer some place and later on in the Estimates I'll probably pick it up.

With regard to our taxation program generally, I think I said to honourable members that I believe very strongly in the principle of our mineral royalty taxation, that is one thing that I probably was more sort of prepared to stand on without experiment than many other things that we have done where I have said, well it may work it may not. But I believe that I was much more enthusiastic about the royalty tax legislation and I said that I think it will be followed by every jurisdiction in this country.

Saskatchewan has now followed it. They have a basic tax followed by an incremental tax on profits based on a return on investment which was the essential change. They used to tax profits based on an actual figure. Now they figure out the return and then they charge a tax.

I was surprised to read in the paper that the Federal Government has outlined new measures that it hopes will increase exploration for oil and natural gas in the north and offshore as well as boost Canadian participation. I want the honourable members to listen to these measures.

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(MR. GREEN cont'd)

They will allow the government to require a minimum 25 percent Canadian participation as a condition of allowing a well to go into production. Now our provision is a 50 percent public participation as opposed to a 25 percent Canadian participation. And 50 percent public participation means an assured 50 percent Canadian participation, because the public of Manitoba are basically Canadian. They will change the existing royalty system to a profit sharing program with the industry. They will provide special advantages for Petro Canada, the government owned oil company in northern exploration. Now we have the mineral resource company but we don't give them special advantages. I thought that that's one of the things that would horrify the industry. But we have the first situation with 50 percent public participation; we have the second with a royalty system based on profit-sharing; we have the third with our own public corporation. They will give Ottawa - listen to this - power to order a company to start drilling in a promising area or step aside and to start production from an existing reserve. Now this is directly in line.

MR. CHAIRMAN: Order please. The Honourable Minister's time. . .

MR. GREEN: I wonder if the honourable members would let me just . . .

MR. CHAIRMAN: The Minister have leave? (Agreed)

. . . .continued on next page

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MR. GREEN: This provision is directly in line with the nature of our regulations which basically had as their motive last year that either you work or get off. You explore or go away. So basically these four provisions are watered down but in principle, a straight line version of what is being done in the Province of Manitoba.

When we deal with the royalty legislation, I want to indicate what the system is. The profit sharing would not start until most of the exploration and development investment in a field has been recovered as well as a return on investment of 25 percent. Our return is 18 percent. It would then rise gradually to a maximum of 40 percent. Ours starts at 18 and goes to 35. There is no intervening period. But the principle that it will be a return based on profit, followed by a higher tax after that return, is being adopted in the Ottawa regulations; it was adopted in the Saskatchewan regulations and I say, Mr. Chairman, that's only one year after we - well it's two years after we introduced the concept. We introduced the concept two years ago and then as you will recall we gave it a year to be sophisticated. We introduced it last year; it is now being adopted and applied by two other jurisdictions in this country. That leaves seven to go. I have no doubt, Mr. Chairman, that the validity of the program will cause the other provinces to move in this direction.

The honourable member asked about the amount of money - this is for the Member for Riel. The estimated Crown royalty and mineral tax on oil produced in January, 1977 - that's I guess when the new price goes into existence - would be \$883,000 per month. The present royalty is \$722,600 per month which means that the monthly increase would be 160,400 per month. The remainder of the price increase is shared by the Federal Government, the Provincial Government, the producer and the freehold mineral owner; the overriding royalty interest owner and increased operating cost. Our share is approximately 30 percent of the increase.

The above monthly increase is a projection based on present oil production. However the oil production has been decreasing at the rate of approximately 10 percent per year. Therefore without new discoveries the increase in Crown royalty and mineral tax will be less than the amount shown. Those are the figures that I have at this time.

With regard to water flooding. We are doing lots of it. I don't understand the honourable member's suggestion that we are not --(Interjection)-- New? Yes. I signed several orders last week giving permission to existing oil wells to use water flooding methods to flush out the oil. I want to indicate to the honourable member that we are doing quite a bit of it. I don't think that there has been a decline in it. I think that there was a suggestion about a year and a half ago that if the taxes were such as to mean that all the oil that's brought up, that the cost of it would result in the entire money to go to the government, it wouldn't be done. But that has not occurred.

There is a problem with regard to the philosophy of royalty. If you take a royalty that's based on profit then as long as something is being made the oil companies will continue to drill. If you take a royalty that's based on gross, you do have a problem. On the other hand, if you take a royalty that's based on profits you could have oil going without any royalty. The tradition in Manitoba has been that in the hard rock minerals the royalty has been based on profits. In the oil, petroleum, it's been based on gross. There is a gross royalty on every barrel of oil produced and it has nothing to do with their profits. That does create its problems but I must advise honourable members that each system also has its advantages.

With regard to prospectors. We have apparently 16 of our prospectors programmed in 1975. That's the program where we participate 50 percent with the prospector on programs under \$10,000. We have sixteen such programs in 1975 and we have nine committed this year with another three to come in addition to which we have a prospectors' apprenticeship program which is being participated in by twenty-three people in the Province of Manitoba. So I would say, Mr. Chairman, that our prospecting activities are as good or better, if we count the apprenticeship program, than they have been at any time in the last five years.

I will not be able to satisfy the honourable member that I am as nice as he thinks I should be to the prospect of private industry development. I am neither an

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(MR. GREEN cont'd) enthusiast nor am I trying to chase it away. I have never said that we need it desperately. I think that our program makes good sense to private investor development. I also think that they have reason to rely on what we have said. I do not think that they would say otherwise. Therefore for the foreseeable future they know what the rules are which is something that they don't know in many other places in this country. They have had more stability with regard to rules than they have had in Manitoba, than in most places in the country. Stability may sometimes mean just as much to them as a tax concession here or a tax concession there that could be taken away when the times just changed just a little bit.

So I've recognized my honourable friend's concerns and I think that those concerns are pretty basic. I think that really the concerns are what keeps him on one side of the House and me on the other. For the moment us in the government benches, him in the opposition benches and I hope it stays that way and he hopes it changes. But those are the differences and those differences I am not able to reconcile with my honourable friend.

MR. CHAIRMAN: The Member for St. James.

MR. MINAKER: Mr. Chairman, I'd just like to make a few comments to correct - well not correct the Honourable Minister but to possibly explain to the Honourable Minister the reasons why I presented some of the figures I did. The Honourable Minister in his masterful technique is always great at twisting around the issue to suit his particular debate. The reason I brought forward the figures that I did was to point out that the mining industry in Manitoba is not keeping pace at the same rate as it is in other provinces in Canada. In the other provinces in Canada the mining industry has grown with the provincial product. In Manitoba it has not. --(Interjection)-- I think the Honourable Minister recognizes that I don't normally interrupt speakers and I sat and waited until he was through and saw him have leave so I will answer.

Mr. Chairman, I don't know whether the Honourable Minister was reading from the same booklet of figures and statistics, he obviously wasn't. I have the Mining in Canada Institute or the Mining Association of Canada. But we know now from the Honourable Minister's comments that he doesn't completely trust the mining people of Canada. Obviously he didn't trust the Hudson Bay Mining Company --(Interjection)-- and the Honourable Member for Flin Flon thinks you can't trust the Hudson Bay Mining Company. If you don't like it, sue me. This is the attitude that this Minister follows I presume because that's what he said. But what kind of an attitude is that on a 50-50 basis to promote. Now if you don't like me, well we won't pay you, sue me. The people in Hudson Bay Mining are all crooks, I guess, from the comments . . . That's not my opinion. I have confidence in free enterprise, obviously you people do not.

MR. ENNS: The Member from Flin Flon has said they're all crooks.

MR. MINAKER: I would like to draw to the attention of the Honourable Minister in that same booklet, that it says under Manitoba - and I'm stating facts and figures from 1975, I don't have particularly the up-to-date figures that the Honourable Minister may have. But it says, "The value of mineral production increased 5.8 percent," the value, "to a new high of \$404 million. The increased value was largely due to the three leading minerals, all metals, which again were nickel, copper and zinc, in that order. Production of nickel slipped to 129 million pounds but higher prices returned the value." So that the production of mining has not increased, it just happened in that particular good year of world price commodities that the value increased. I suggest that the Honourable Minister is quite aware of the fact that the production of the refined ore has slipped and is not up to the capacity that it was.

So I just want to make that point clear to the Honourable Minister that the reason I brought forward was that the mining industry in Manitoba is not keeping pace in the same manner that it is in other provinces and I suggest the reason is the government's policy in dealing with the mining people and the attitude of this Minister. I think it came to light with his comments about the Hudson Bay Mining Affair where he just bluntly stated, sue me. That is not to me the attitude. If there's problems negotiate them, work them out. But don't just say, sue me. Mr. Chairman, I do not know what

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(MR. MINAKER cont'd) the ruling of the House is going to be at 4:30 and I'll sit down at this time.

MR. CHAIRMAN: Order please. The time of Private Members' Hour having arrived, is it the will of the House to continue in Committee? The Honourable Member for Morris.

MR. WARNER H. JORGENSEN (Morris): You'd like to go on? Well the decision for the House is not whether or not we go into Private Members. There's nothing on the Order Paper. It's just a question of whether or not we're going to continue on until 5:30 with the Estimates and that's a decision I suppose which must be made by the House.

MR. GREEN: Mr. Chairman, there is one private member's bill. We don't have to go to Private Members and I gathered from the Leader from the Opposition that we would not go to Private Members.

The next question is: should we continue in committee? It is really up to you people. I am prepared to adjourn if you want to adjourn at 4:30.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. CRAIK: Mr. Chairman, it appears that we may not finish this Branch even if we carry on. It appears now that it's as convenient as any time to quit.

MR. CHAIRMAN: Committee rise. Call in the Speaker.

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

IN SESSION

MR. DEPUTY SPEAKER: The Honourable Member for St. Vital

MR. JAMES D. WAIDING (St. Vital): Mr. Speaker I beg to move, seconded by the Honourable Member for Gimli, that the Report of the Committee be received.

MOTION presented and carried.

MR. DEPUTY SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, I would like to announce Public Accounts Committee to meet at 10 o'clock on Tuesday.

On Tuesday, I will not be here and when we go into Supply we would go into the Estimates of the Minister of Finance including the Estimates that fall under his portfolio, the First Minister, together with Capital Supply which would follow that. I will be back on Wednesday and we will just try to finish those two departments as and when we can.

Thursday. We have MDC on Thursday at 10 o'clock and Thursday evening. The Member for Morris has a question.

MR. DEPUTY SPEAKER: The Honourable Member for Morris.

MR. JORGENSEN: I wouldn't raise this question except if the Minister of Mines and Resources were to be here and we were considering his Estimates. I wonder how we will arrange to deal with Public Accounts at the same time as the Minister of Finance who will take the same set of Estimates. Now there will be no problem in the morning but if the committee is to meet at night there might be a bit of a problem.

MR. GREEN: Mr. Chairman, I don't know whether the committee would meet at night but the fact is that if there was some inclination that way - and I don't think there could be - I don't think the Minister of Finance has been at Public Accounts. It's generally been handled by his legislative assistant. But I'm not suggesting that we will meet under Public Accounts Tuesday night. I'm merely saying that we will meet at 10 o'clock on Tuesday.

MR. DEPUTY SPEAKER: The Leader of the Opposition

MR. CRAIK: Mr. Speaker, I just wanted to say that I am pleased that we're going to handle the Public Accounts having brought it to the attention that we wanted to get at it. I also find myself having invited myself with that pressure to do some explaining to my wife why I just blew the weekend studying Finance and Public Accounts.

MR. DEPUTY SPEAKER: The Honourable House Leader.

MR. GREEN: I'm going to have a holiday over the weekend so my honourable friend can do what he likes. I move, seconded by the Leader of the Opposition, that the House do now adjourn.

MOTION presented and carried and the House adjourned until 2:30 Tuesday afternoon.