

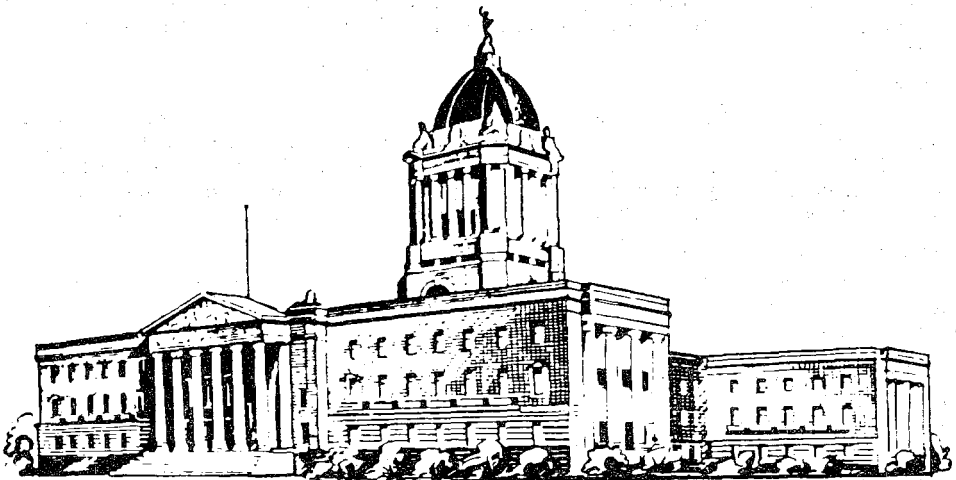


Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS

Speaker

The Honourable Ben Hanuschak



Vol. XVI No. 29 8:00 p.m., Thursday, September 11th, 1969. First Session, 29th Legislature.

MEMBERS OF THE EXECUTIVE COUNCIL

Premier, President of the Council, Minister of Industry and Commerce . . .	Hon. Edward Richard Schreyer
Minister of Finance	Hon. Saul M. Cherniack, Q.C.
Minister of Labour	Hon. A. R. Paulley
Attorney-General	Hon. Alvin Henry Mackling
Minister of Health and Social Services, Commissioner of Northern Affairs	Hon. Sidney Green
Minister of Agriculture	Hon. Samuel Uskiw
Minister of Consumer and Corporate Affairs	Hon. Rene Toupin
Minister without Portfolio, Cultural Affairs	Hon. Phillip Petursson
Minister of Mines and Natural Resources	Hon. Leonard Evans
Minister of Tourism and Recreation	Hon. Peter Burtniak
Minister of Youth and Education	Hon. Saul A. Miller
Minister of Transportation	Hon. Joseph P. Borowski
Minister of Municipal Affairs, Minister of Government Services	Hon. Howard Pawley

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Hon. Messrs: Green, Mackling, Paulley. Messrs: Allard, Bilton, Boyce, Doern, Einarson, Gonick, Gottfried, Johnston (Portage), McBryde, McGill, McKellar, McKenzie, Weir.

PUBLIC ACCOUNTS:

Hon. Messrs: Borowski, Cherniack, Evans, Miller, Paulley, Pawley. Messrs: Barrow, Craik, Desjardins, Doern, Ferguson, Froese, Gonick, Gottfried, Hardy, Henderson, Jenkins, Jorgenson, Malinowski, McGregor, McKenzie, Molgat, Patrick, Shafransky, Sherman, Spivak, Turnbull, Uruski, Weir.

PUBLIC UTILITIES AND NATURAL RESOURCES:

Hon. Messrs: Burtniak, Cherniack, Evans, Green, Toupin. Messrs: Barrow, Beard, Bilton, Boyce, Craik, Desjardins, Doern, Enns, Fox, Froese, Gonick, Graham, Jenkins, Johannson, Johnston (Portage), Johnston (Sturgeon Creek), McGill, Molgat, Shafransky, Spivak, Turnbull, Watt.

AGRICULTURE:

Hon. Messrs: Borowski, Burtniak, Pawley, Petursson, Uskiw. Messrs: Allard, Barkman, Barrow, Boyce, Einarson, Enns, Ferguson, Graham, Gonick, Gottfried, Henderson, Johannson, Johnston (Portage), Jorgenson, McBryde, McGill, McGregor, McKellar, Malinowski, Turnbull, Uruski, Watt.

MUNICIPAL AFFAIRS:

Hon. Messrs: Burtniak, Cherniack, Green, Mackling, Miller, Paulley. Messrs: Allard, Barkman, Boyce, Claydon, Ferguson, Fox, Girard, Hardy, Henderson, Jenkins, Johannson, Johnston (Sturgeon Creek), Malinowski, McBryde, McGill, Moug, Patrick, Shafransky, Sherman, Mrs. Trueman, Messrs. Turnbull, Uruski.

LAW AMENDMENTS:

Hon. Messrs: Borowski, Burtniak, Cherniack, Evans, Green, Mackling, Miller, Petursson, Paulley, Pawley, Toupin, Uskiw. Messrs: Allard, Barrow, Beard, Bilton, Boyce, Claydon, Craik, Desjardins, Doern, Einarson, Enns, Fox, Froese, Girard, Gonick, Gottfried, Graham, Hardy, Jenkins, Johannson, Johnston (Portage), Johnston (Sturgeon Creek), Jorgenson, McBryde, McKellar, Moug, Patrick, Shafransky, Sherman, Spivak, Mrs. Trueman, Messrs. Turnbull, Uruski, Watt, Weir.

PRIVATE BILLS, STANDING ORDERS, PRINTING AND LIBRARY:

Hon. Messrs: Evans, Mackling, Paulley, Toupin, Uskiw. Messrs: Barkman, Barrow, Claydon, Craik, Desjardins, Doern, Einarson, Enns, Gottfried, Jorgenson, Malinowski, McBryde, McKellar, Molgat, Mrs. Trueman, Mr. Uruski.

INDUSTRIAL RELATIONS:

Hon. Messrs: Green, Paulley, Petursson. Messrs: Beard, Boyce, Claydon, Fox, Girard, Hardy, Jenkins, Johannson, Johnston (Portage), Malinowski, McGregor, McKenzie, Moug, Patrick, Shafransky, Sherman, Turnbull.

STATUTORY REGULATIONS AND ORDERS:

Hon. Messrs: Mackling, Miller, Toupin, Uskiw. Messrs: Allard, Barkman, Bilton, Desjardins, Fox, Gonick, Graham, Johannson, Spivak, Mrs. Trueman, Mr. Weir.

THE LEGISLATIVE ASSEMBLY OF MANITOBA
8:00 o'clock, Thursday, September 11, 1969

MR. CHAIRMAN: 2. (c) -- The Honourable Member for River Heights.

MR. SPIVAK: The Honourable Member for Roblin wishes to speak.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. McKENZIE: Mr. Chairman, I apologize for the fact that I am overweight and haven't got the best car, but in reply to the First Minister today I think it's very indicative of this province that there has been some direction in the past, and I congratulate the past government -- (Interjection) -- no the past government -- in fact I was so brave to put a resolution on the Order Paper. -- (Interjection) -- No, I think I was part of it, and I think that they basically done a good job -- if the Honourable House Leader would give me attention. -- (Interjection) -- The north -- and let's talk about the north. The First Minister today, I listened with great interest to his remarks, but I find some place along the line that he neglected the area that I represent, Parkland, the Parkland Development Corporation. What in fact did the First Minister say -- Parkland -- is the message of this . . .

MR. CHAIRMAN: . . . First Minister.

MR. . . .
(RECORDING FAILURE)

MR. SCHREYER: Parkland Development Corporation. Parkland. See.

A MEMBER: Mr. Chairman, could I have your glasses?

MR. McKENZIE: Unfortunately, Mr. Chairman, this of course is political - the visions of political groups are as far as the vision of your glasses. The House well knows that I have a resolution on the Order Paper, and it's most interesting, Mr. Chairman, that I wasn't here to present my resolution the other day and when I left, I think it was twenty after four, the Honourable Member for Churchill was speaking and I had an appointment with the optician. I was thinking that with the Honourable Member for Churchill being involved in the debate he would likely go for forty minutes so I would have a chance to go down and get a new pair of glasses which I knew with a new party over there I needed very very very bad, because I would think, Mr. Chairman - I wish now that the optician had given me rose coloured glasses because all of a sudden I'm most concerned, I'm most concerned about the Minister of Agriculture today in his great oration.

MR. CHERNIACK: Order please. I'm not clear on just what item the honourable member is speaking about. I'm under the impression we're dealing with 2 (c) Business and Trade Development, Export Sales Promotion, Displays and Exhibits.

MR. CHAIRMAN: (Not Audible).

MR. CHERNIACK: Well the point I'm making is that he should be speaking on the matter before us and not on the Minister of Agriculture and his problems.

MR. McKENZIE: Well if the Honourable Minister of Finance will give me -- you know I just got a new pair of glasses and I see him as a rose coloured specimen over there.

MR. CHERNIACK: Maybe it's the wrong kind of glasses.

MR. McKENZIE: Especially after his piece this afternoon, Mr. Chairman -- you know talking about, now all of a sudden debate is limited or . . .

MR. CHERNIACK: Mr. Chairman, if I may. Possibly the honourable member was not in the Chamber when his Leader discussed with the House and with me in particular the fact that we intended to . . .

MR. McKENZIE: Mr. Chairman, I was here.

MR. CHERNIACK: Well then he should understand that it was agreed that we would confine ourselves in the supplementary estimates to the items themselves and a general discussion could still be held under Minister's salary in main estimates.

MR. CHAIRMAN: Could I ask the Honourable Member for Roblin to confine his remarks to Industry and Commerce.

MR. CHERNIACK: No, to the item.

MR. CHAIRMAN: And to the item of Business and Trade Development.

MR. McKENZIE: Thank you, Mr. Chairman. Well let's get back to my resolution. I apologize to the House and I apologize to the First Minister. I am . . .

MR. CHERNIACK: We're not debating his resolution, we're debating Item 2(c). Resolution No. 8.

MR. CHAIRMAN: Apparently the member is going to relate this in some fashion so I'll allow him a few more seconds. Would the Member for Roblin proceed.

MR. McKENZIE: I yield to the Member from Rhineland.

MR. CHAIRMAN: The Member for Rhineland.

MR. McKENZIE: I don't think the opposition wants me to speak tonight.

MR. FROESE: Mr. Chairman, the Minister just before he sat down before the dinner hour mentioned airfields and air traffic and when we're discussing promotion export sales and displays and exhibits and so on, I would like to remind him that up in our area they've opened a new air field, it's opened by the Stanley Flying Club. They have an increased number of membership; more and more planes are being used in the area and the airport itself is getting greater use. They're putting up new facilities. This was one of the number of businesses that also had their official opening on the day when the Honourable Minister of Tourism did the honours at Winkler and a number of businesses were opened at the sod turning event and I think these people would like to see some assistance from the government. I think it is his department that is providing certain incentives and also promotion of air fields and . . .

MR. CHAIRMAN: I fail to see how air fields relate to export sales promotion and . . .

MR. FROESE: Oh, it definitely is a promotional deal - sure, because you want these people to come into the area and naturally they'd rather come by plane than by car, so I sure can see the relation between the two. And it is his particular department that has to do with this whole matter. I think, I stand corrected, that the Honourable Minister has been notified of this and we would like to see that some incentives be given to these air fields in rural Manitoba so that they can be developed more fully and in this way provide air traffic and people can move about more freely from longer distances in shorter time. Certainly when he mentioned the matter just before we rose earlier, I thought that I must bring the matter up at this point and ask whether some of that fifty thousand that is being allocated, additional money that is being allocated now for promotion and export trade, whether some of that is going to go for these particular air fields.

MR. CHAIRMAN: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, I listened with interest to the remarks of the First Minister just before the close of this afternoon's debate and I would like to, if I may, add a contribution and deal specifically with the items that were discussed by him, and as they have reference to the particular items in the supplementary estimates, I think this is probably the more appropriate time to possibly deal with them to a greater extent than under the estimates of Industry and Commerce.

I agree to a large extent with the approach of the First Minister in connection with the ADA program and his explanation of it and the recognition -- (Interjection) -- I agree, agree - his explanation of the fact that growth centres were one of the key factors in the new incentive program and will be one of the key objectives to be achieved by the new Regional Development Incentive Program, that is to say, the identification and the development of growth centres in Canada.

Now let me say this at the outset. The ADA program, the former program, the incentive program which has been subject to a great deal of criticism by some sources in Canada was and is still a great boon to the development of the industrial activity in this province. Without the ADA program, the developments that occurred in Gimli, in Minnedosa, at The Pas, in Brandon, just to name a few, would never have occurred -- (Interjection) -- and possibly nothing for Rhineland - I'm not sure that it was included in the initial stage - if I'm correct it was not. It was subsequently brought in after the Federal Government changed the manner in which they approached the interpretation, or changed their interpretation of the criteria that they had established.

The important fact is that the ADA program has helped Manitoba. During the period of the Constitutional Conference when Mr. Marchand first explained the philosophy of the Regional Development portfolio, that is to say the concept that would be behind the set up and establishment of a Regional Development Expansion program in Canada federally, and at the same time he explained what likely would be contained in an incentive program to be forthcoming which would in fact replace the ADA program, it became pretty obvious that there were some who felt that the ADA program had been used by some corporations for their own benefit and they had in fact drawn on the ADA program and received a concession or a grant from the Federal Government for the building of a plant that would have taken place in any case and that there was really no advantage to these corporations to be given a grant simply because a grant was to be made

(MR. SPIVAK cont'd) available in areas close to the Metropolitan areas that they wanted to locate or close to the resource area in case they were an industrial processing corporation who would be developing a resource in the surrounding area where they would be located.

Now as a result, we have the new Regional Development program, and we have with it the ability on the part of the Minister to exercise a discretion that did not exist before, and one of the concerns from Manitoba's point of view is that in those cases in which the ADA grants were in fact allowed for development here in Manitoba, I would say that in almost all of them they would not have occurred in the area that they did locate - whether they would even have located in Manitoba is a question, but they would certainly have never located in the area in which they in fact built if the ADA program was not available.

So from Manitoba's point of view, although the Minister of Regional Expansion referred to the fact that some corporations had taken advantage, from the experience of the former government we would say that those corporations who came in here would not have come in here, so the ADA program was important. And the new incentive program is important and the First Minister had already indicated it. But what has happened of course, and reference has already been made concerning this, is the fact that part of Manitoba has been excluded. Now this, of course, is unfortunate because based on our experience the development program is important and the incentive that was given was important. Now we then have really two alternatives: one is to accept the federal government's designation and recognize that under certain circumstances it may very well be that we are going to be able to develop a certain portion of the north and have it included under a certain set of circumstances, where the federal minister will exercise a discretion in favour of a specific industrial enterprise or a series of enterprises together with all the attendant infrastructure expenses that would be involved; or the other alternative would be to act as a province and to set up our own development incentive program. Now we are aware of the fact . . .

MR. CHAIRMAN: I hesitate to interrupt the honourable member, but I might point out that we're apparently discussing business and trade development related to export sales, and I think he's ranging into regional development and the total economic development. I think it might be more advised if he brought this up under the Minister's salary or perhaps under other sections of the department such as regional development in the regular department of Industry and Commerce.

MR. SPIVAK: Mr. Chairman, I sat here for approximately an hour and listened to the discussion that took place. I listened to the fact that the First Minister indicated part of the supplementary estimates that are before us were to be used for carrying out the new activity of the Department of Industry and Commerce to be able to attract industry to use the new regional development program. He in turn dealt with the regional development program; the Member for Churchill dealt with the problem of the fact that the north was excluded, and I think my remarks are both pertinent and in line with the discussion that has already taken place in the debate.

MR. CHAIRMAN: I think we have allowed some latitude. I would hope that the honourable member wouldn't open it up still further, but would rather try to, you know, move in the opposite direction of dealing more specifically with the item, rather than enlarging still further what has already gone on.

MR. SPIVAK: Well, Mr. Chairman, as I tried to indicate, it was not my intention to enter the debate on regional development at this time. However, the debate has taken place, and has taken place because the Minister has indicated that the supplementary estimate in terms of the Industry and Commerce Department are partially going to be used to be able to attract industry to use the new incentive development program. The Member from Churchill mentioned the north, and others have, and I think, you know, it would be ridiculous at this time not to allow me to have the opportunity of presenting a point of view which is the first occasion that I am going to have the opportunity of presenting this point of view.

MR. CHAIRMAN: I assure the member he will have another opportunity.

MR. SCHREYER: Mr. Chairman, if I could just say that I do believe that the honourable member's comments are relevant to the supplementary estimates now before us. The problem is that if he deals extensively now with the entire functioning of the department, then there would be no point later to deal with the main estimates of the Department of Industry and Commerce.

MR. CHAIRMAN: The Honourable House Leader of the Liberal party.

MR. G. JOHNSTON: On a point of order, Mr. Chairman. Those of us who have listened to your exhortations to only confine ourselves to the remarks concerning the supplemental estimates will then be at a disadvantage if you should rule later on during the departmental estimates of this department that the debate has taken place; so the rest of us here are looking for some indication as to when we should enter this debate, whether now under the Minister's salary or during the items of the departmental estimates.

MR. CHAIRMAN: Well, I might just reiterate that I understand that the purpose of the supplementary estimates is to deal with those specific portions which are contained in them and that that debate should not be repeated at a later date; but under the Minister's salary and under the various segments you can speak as you wish. But we shouldn't repeat what is going on here, neither should we range so widely as to cover the entire department.

MR. CHERNIACK: Mr. Chairman, if I might on the point of order . . .

MR. CHAIRMAN: The Honourable Minister of Finance.

MR. CHERNIACK: The Honourable the Leader of the Official Opposition warned us that this might well happen, and did indicate that his suggestion was that we interlace the two, but when we indicated we wanted to go ahead with the supplementary estimates then it was agreed, I believe clearly, that if we proceed with the supplementary and deal with the specific items that we would be able to go through it fairly quickly and leave the major debate under the Minister's salary, and I think we agreed that the items that were in supplementary that would have relevance to the Minister's salary would probably be dealt with under Minister's salary if it was felt necessary so to do. It was not indicated that there would be major discussion at this time on the overall picture.

However, it is true that when the Premier introduced his estimates he introduced them as a group because indeed they are a group and he explained that they were for a special purpose, to enable the government to participate. Now I don't think it matters very much whether the Honourable Member for River Heights wishes to make his major speech now or later, or indeed we recognize his right to make it both times, but certainly he was not in the House when this was discussed with his Leader, and it seems to me that at that time I had the impression that we would confine ourselves to the specific item and then deal with the major picture during debate on Minister's salary in main estimates. However, it is true that this is a full picture and I guess the honourable member will decide for himself whether he wants to explore the whole thing now or whether he is willing to let it stand until the main estimates come up.

MR. SPIVAK: Mr. Chairman, just on a point of order; the Honourable First Minister spoke approximately 20 to 25 minutes in the last debate in connection with regional development incentive programs and he related it to this. Now the suggestion is that I am now making a major speech on the Department of Industry and Commerce and I am not. -- (Interjection)-- Oh yes I am, I am making it on one specific item, the item that was introduced by the First Minister. Now I intend tonight to talk on three items that were mentioned by the First Minister, and if they hadn't been mentioned by the First Minister, I wouldn't. I am going to talk on the regional development incentive program; I am going to talk on growth centers; and I am going to talk on productivity. Those are the three items that were talked to by him, that he discussed in the House, and I see no objection to my continuing.

Now what I tried to indicate before is that the Province of Ontario and the Province of Quebec have their own development incentive program, and that program was enacted to complement the federal program and to cover those areas that were not included by the Federal Government as being designated under their program and were excluded from receiving federal incentive grants. Now we examined, when we were in government, we examined those two proposals, and while they were worthy of consideration for the areas that were not included in Manitoba, we were also aware that the Federal Government was intending to change its program and a new incentive program was going to be developed. And for that reason there was no legislation forthcoming to this House, although we were aware of what was taking place, and within the files of the Department of Industry and Commerce there is correspondence and some statistical information as to how many loans were granted, where they were granted, the types of loans that were granted and the number of industries and the number of job opportunities that were developed and created.

Now since the government has taken office, the Federal Government has now announced the regional development program and I think I have a right, because this has been mentioned and because there are specific estimates that are now being tabled as supplementary in connection with this to make a suggestion to the government for consideration, recognizing that

(MR. SPIVAK cont'd) . . . they are not probably going to enact it right away, but certainly it is worthy of consideration and I would think it will be probably the only way in which they are going to be able to satisfy the very real need of an incentive program in the northern area that has been excluded. And this is important because there is potential and that potential has to be developed. It is important because the Hydro-Electric development is now on stream and there is no doubt that there are power intensive industries that can be attracted to the north if we are capable of being able to both offer the right power rate and at the same time have an incentive program that would be attractive to those corporations who will come in. And I would suggest for the consideration of the government, and because it is not contained in these estimates but I hope will be contained in the estimates to come in the future, that consideration be given to a Manitoba incentive program to complement the federal program and the funding of approximately \$20 million over a period of time be put in as a capital item. I think this is necessary and I think this is going to be the only way in which you are going to be able to draw to the north the industry. Now let's just take the example of The Pas - and the Honourable Member from The Pas is present - if -- (Interjection) -- Well I'm not sure that it would be under capital or it would be under an estimate. This is a judgment you'd have to make, not me.

I'm simply saying that I conceive a program of approximately \$20 million at least as a start. And I say to the Honourable First Minister that if we did not have the incentive program of the Federal Government, the developments that are now taking place in The Pas would not have occurred, and I suggest to you that we cannot put ourselves in a position where the north is going to be excluded. I suggest that consideration is going to have to be given to this, and whether the amount is 20 or whether it's 25 or whether it's 15 at this point isn't important. The important thing would be a recognition that the federal incentive program, because it does eliminate part of the area of Manitoba, and because without that federal incentive program a lot, quite a bit of the development that has occurred in the last three years and is still occurring would not have taken place. We are going to have to be concerned in terms of priority with this specific kind of a program where there will be an opportunity for the things that can happen in the north to happen, and the incentive program will have to be part of this.

The second thing I would like to deal with was the reference that the First Minister made to growth centres in an answer to the question from the Honourable Member of Rhineland, and the statements I think were accurate. I think that, if anything, the regional development incentive program now recognizes growth centres. It now recognizes that Winnipeg as a growth centre must be included - and it is included; and it recognizes that where you have a capital infrastructure already invested, that is to say where you have the sewer and water and other utilities already in and not utilized to its maximum, it's necessary, because there is a capital cost to utilize it to its maximum so that the development can take place without a helter-skelter development occurring throughout the province.

At the same time, how are we going to identify the growth centres? How are we going to be in a position to know what areas should grow and what areas should not? And this is where we come to the TED Report - and if I may just refer back to the few remarks I made the other day - I have a suspicion that the Premier has probably looked and probably read the TED Report. I'm not sure that the other Ministers have and I'm not sure really whether they are interested in reading it. I'm not sure whether they really are going to be concerned about trying to take from this report the necessary information which will help them formulate the program for economic development. Now it's pretty obvious -- (Interjection) -- Well I think that would probably be the start. I'm not sure they are even going to be concerned about it. I have a feeling and I have a suspicion - and of course this is only a suspicion, there's no evidence contrary one way or the other - but I have a suspicion that there's going to be a tendency to ignore this, because the problem of regional development and the problem of growth centres is covered in the TED Report, and in fact many of the centres that will probably grow are indicated. And the great problem that the government faces and that we have faced in Manitoba is to be able to have the people of Manitoba and the people of the region understand, as the Premier suggested, that there are only going to be certain centres that will logically develop and that there must be a recognition within the region that the development of that centre to its maximum will be of great assistance to all of them and that they all will benefit. And this understanding, which is what has to be one objective of government, to try and have the people who are responsible and the people who are within the region understand this, so that they can carry on their program and recognize the challenge that they have and meet that challenge.

(MR. SPIVAK cont'd)

It's going to be necessary for this identification to take place, and this is why in the earlier remarks that I made in the House in connection with the TED Report I pointed out that it's necessary to have a dialogue between the ministers and the government and those people who are involved in the various chapters - including the chapter on regional development - so that you can at least mobilize the people who have resolved this and have come to this conclusion because it will assist and help in the identification of the area, and it will also indicate the likely growth areas and the activities that have to be around them to ensure that we are going to be able to attract and hold industrial development. Because one aspect of them . . .

MR. SCHREYER: Would the honourable member permit a question?

MR. SPIVAK: Yes.

MR. SCHREYER: Does he not regard the regional development corporation as the appropriate body which can be helpful in helping the government to decide which will be the regional growth centres?

MR. SPIVAK: Yes, Mr. Speaker, I think that the regional development corporations are certainly one means and probably an important means of doing this. I think the TED Report has identified them as well. I think that the advisory committee who worked on this should be brought back and I think that the government should be dealing specifically with them, because their determination was based on factors and on reports that we do not have available - as far as I know we do not have available - and it would be important I think to be able to at least, at least deal with them and understand how they arrived at this. The purpose of this is simply that there should be a recognition that in order to attract industry - and this is one thing that has to be understood by everyone - in order to attract industry to this province it's necessary to be able to provide the amenities of a modern life and they cannot necessarily be provided in every community in the region, and therefore the cost that has to be borne by the province and by the area around must at least be recognized and must be identified so at least there's some recognition of where the priorities will be.

Now the third thing I'd like to deal with would be the question of productivity, and the Premier has made reference to it and I have just a minor contribution to make to it. It's really a repeat of what I said before. But I again have a suspicion there are some on the other side - and I don't think the Premier is one - but I have a suspicion there are some on the other side who do not think as he does in connection with the real priority, the productivity. Productivity must take in the activities of the government and I'm happy to see the \$325,000 additional amount in the supplementary estimates. I look forward to seeing a much larger amount in the year to come, in the next session, because it would seem to me that recognition that productivity is going to be the only real way in which incomes are going to rise in this province must be recognized by all.

It's not going to happen by any other means and productivity means many things. It means investing in efficiency, which is what part of the program that's before us will be concerned with - the TAG Program, the DIG Program and the RND Program. But in addition to it, it means the recognition of the new export potential for our industrialists and for our manufacturers so that they themselves are going to be able to achieve a volume of business which will allow them to then invest in new equipment, in new plants, and thus become efficient, and in the course of becoming efficient be able to then meet the demands and rise that's required in the income of their workers. And I am very happy to hear now - and I've read as well in the speeches that the First Minister has made - that he has recognized this insofar as productivity is concerned. I question really whether all members of his caucus believe that, but it will be important to witness what will take place in this connection between the time that these estimates are finalized and the time of the new estimates and the changes that will occur in the programs to come.

So, Mr. Chairman, in terms of the estimates I again repeat I am happy to see the additional amount. I think it's needed. I think it's needed, as the First Minister said, because of the changes that have occurred in the ADA Program with the new regional development centre program. I think the government must give serious consideration to the development of a program which will complement this, which will be Manitoba's own development incentive program. I think it has to be funded in the kinds of amounts that I've suggested - 15, 20, 25 million dollars, and it may have to be funded over a period of years. I think it has to become known immediately. I think that if there is any delay in enacting this kind of legislation or proposing this kind of program we can seriously affect the competitive position of Manitoba in

(MR. SPIVAK cont'd) attracting specific industries that can be attracted to the north, and I would suggest that the government give consideration to this in the near future.

MR. CHAIRMAN: Resolution 8 - 2(c) --

MR. FROESE: I have one question to direct to the First Minister who is also Minister of Industry and Commerce. Is any action being planned or being taken under Part II of the Development Fund Act? I note from this federal Act, the Area Development Act which I take it is being extended in certain respects. But although we have a new federal program, that federal program works in the very reverse of what is planned under the Manitoba Development Act. Here we're collecting funds, taxes and the Federal Government is making money available not for governments but for private business. So I can see the very reverse in this federal Act than what is being proposed under our Development Fund Act. And I just question the thing, whether anything is planned or not. It doesn't appear to me on the surface because the additional monies that we're voting under this item are not that large.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Mr. Chairman, the only reason I didn't comment on the remarks made by the Honourable Member for River Heights is because I found his observations and views to be so easy to agree with, and since we're in agreement in a large part there was little point in taking the time of the House to say simply how much we agree with each other.

With respect to the comments made by the Honourable Member for Rhineland, he's asking whether we have it in mind to proclaim Part II of the Development Fund Act, and I would say to my honourable friend that we would have no objection to doing that, particularly if we could be assured of his support - and we would welcome his support. I didn't quite understand his comparison, the comparison he drew between the Manitoba Development Fund and its operation on the one hand, and the Federal Government's Regional Economic Development Program. Because while it is true that the Federal Government's Regional Economic Expansion Program is designed to make industrial incentive grants available to private industry, so is the Manitoba Development Fund making loan money available to private industry. And under Part II, if and when it should be proclaimed -- I can't say too much, Mr. Chairman, without really getting into the area of policy as yet undetermined in a final way. But I just want to perhaps take another minute to say that I would assume that even if Part II were proclaimed that it would not be the intention to go massively into public ownership industrial activity. On a sharing basis, perhaps on certain select and manageable scales, yes.

MR. CHAIRMAN: (Resolutions 8 to 10 were passed.)

MR. CHERNIACK: Mr. Chairman, we're now ready to proceed with Youth and Education which is the next item before us. Resolutions 11 and 12.

MR. CHAIRMAN: I thank the Honourable Minister for his assistance. Resolution 11 - 2(b)(1)-- The Honourable Member for Rhineland.

MR. FROESE: Is the money required for tax rebates?

MR. MILLER: . . . the explanation will be given. This is simply additional funds requested for the University Entrance bursaries. A couple of weeks ago I was notified by the Student Aid group that process the bursaries, they were running short of funds for the university entrance students, those who were coming in from high school to first year university. They didn't have sufficient money to meet the requirements and the demand, so we looked at the problem and decided that we would increase the amount of the fund by \$50,000 which is estimated to be adequate, and in addition to that, another \$25,000 to cover the amounts that apparently are needed every year to cover appeals in both the entrance and undergraduate field where because of the number of appeals that were being processed it was felt that more money was required. Some of them are still being processed. I believe that the amounts indicated here will be adequate for this year.

MR. CHAIRMAN: (Resolutions 11 and 12 were passed.) Next department, General Salary Increases. The Honourable Minister of Finance.

MR. CHERNIACK: Perhaps I could just explain that this is the item that is needed for the general salary increases that were made effective April 1st, 1969 after negotiations had been completed.

MR. CHAIRMAN: The Honourable Member for Emerson.

MR. GIRARD: Mr. Chairman, I would just like to know if the Honourable Minister of Finance could indicate if this represents a certain percentage increase.

MR. CHERNIACK: Mr. Chairman, I have to report that the negotiations were all carried

(MR. CHERNIACK cont'd) on at the time of the previous government, and I suspect that the government as such was not involved in the negotiations, but was represented there and after the negotiations an agreement was completed and this was the result of the agreement as it reflected on the budget, which in the previous estimates could not be guessed at because negotiations had not been completed.

MR. CHAIRMAN: The Honourable Member for Churchill.

MR. BEARD: Is the Minister of Finance considering a negotiator for the MLA?

MR. CHAIRMAN: (Resolution 13 passed.) Next item, Flood Control and Emergency Expenditures. Resolution 14 (1). The Honourable Member for La Verendrye.

MR. BARKMAN: Mr. Chairman, I'm wondering as far as expenditures are concerned here, does this mean the expenditures of the people that were flooded or is it perhaps a change of policy as far as EMO organizations are concerned? As we know, the municipalities have not been getting the money the last year or so. Does this mean perhaps a change in policy?

MR. CHERNIACK: Mr. Chairman, there is no change in policy at all involved in this; this is the estimated monies required to take care of the flood control and the items mentioned by the honourable member.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. WEIR: Mr. Chairman, might I enquire as to whether or not it would appear there's going to be federal participation in the payment of the flood damages this year?

MR. CHERNIACK: I'm informed that there has not yet been any confirmation that that is included, but efforts are going on.

MR. CHAIRMAN: (Resolution 14 was passed.)

MR. CHERNIACK: Mr. Chairman, at this stage we have completed the supplementary estimates for monies to be voted on other than Health and Social Services, and I explained we expect to be able to deal with those tomorrow morning. The other items that are shown are items which are not to be voted, therefore do not require debate or indeed that you should call them, Mr. Chairman. They've been put in just to provide members with up-to-date knowledge on the financial situation on those items which are statutory or were raised by Special Warrant. By inserting them here I realize of course that members may have questions. I'm prepared to try and answer them very briefly, but frankly they are not really before the committee.

MR. CHAIRMAN: Do I understand that the next order of business is the Department of Mines on the main estimates?

MR. CHERNIACK: No, the Department of Agriculture.

MR. CHAIRMAN: The Department of Agriculture. The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Chairman, on a point of order, would the Honourable Minister of Finance just clarify his last statement with respect to questions that he would be willing to entertain on items such as those listed under Schedule B. Did the Minister mean he'd be willing to entertain those questions now or after we've proceeded through another section of the examination of departmental estimates?

MR. CHERNIACK: Well, Mr. Chairman, the fact is that I don't think it's in order to debate them at any time; but I did indicate that if there are some questions and if it wouldn't take too much time, I'm prepared to try to do so, because having given you the information I should be prepared to explain anything that's not known; but frankly I am not prepared to debate them.

MR. SHERMAN: Well, Mr. Chairman, I understand the Minister's point and I'm not anxious to debate them either, but there are one or two questions that occur. What I'm asking is, is the Minister prepared to entertain those questions now?

MR. CHERNIACK: Yes.

MR. CHAIRMAN: Well, did I understand this correctly? I understood that these were transferred items which will be debated during the regular course of the main estimates.

MR. CHERNIACK: No, Mr. Chairman, Schedule B are items that are transferred from other departments and there is no additional expenditure. Schedule C is an accounting of special warrants that were issued by the previous government and the present government between sessions. That's the explanation that I have. I might say if I may, when the bill appears before us, the supply bill, then there will be particular references to the transference of the Schedule B item indicating the department from which these items come, in specifics. I have said that I'm prepared to answer questions but not get into a debate.

MR. WEIR: It would be my position and my view that if we carried on too many now we could have a duplication of debate because all of these items show up in one of the other departments some place, and as they're co-ordinated in that scale we might very well have double debate. I intend to reserve any thoughts that I might have or questions until later.

MR. SHERMAN: Mr. Chairman, I'm prepared to defer most of my questions until the proper department comes up under which they would qualify, but I would say that on the surface one obvious question occurs probably to every member of the Chamber under the first item identified as Legislation on Schedule B, which schedules the salary for the Ombudsman, which figure of \$12,700 seems to reflect a certain discrepancy between the amount that is specified on the schedule and the amount to which the First Minister referred this afternoon, and in earlier debate on the ombudsman legislation. I wonder, Mr. Chairman, if the First Minister could clear up that discrepancy.

MR. CHERNIACK: Mr. Chairman, firstly I want to agree with the Honourable Leader of the Official Opposition in regard to Schedule B. Schedule C will not be discussed at all. Now, in answer to the Honourable Member for Fort Garry, the item in the salary, 12,700 that he refers to is identical with the one that is in the main estimates and is for the balance of the year, the fiscal year. It's not for the entire year; it's an amount which was set aside in the judgment of the previous government as being a figure that would be sufficient to take care of the salaries of the Ombudsman for the balance of the fiscal year ending March 31st, and we accept that.

MR. CHAIRMAN: The Honourable Member for Ste. Rose.

MR. MOLGAT: Mr. Chairman, before we do so, do I understand the Minister correctly to say that the items under Schedule C will not be discussed at all at this time? That we are to take them up under the main estimates?

MR. CHERNIACK: No, the honourable member does not understand correctly. Special warrants that have been issued between sessions are not matters for report or debate, but I did volunteer to answer questions if I could, but I don't think it would be in order to debate them.

MR. MOLGAT: I recognize what the Minister is saying and I'm not wanting to debate the items, but I would like to then serve notice that when we come along to the main estimates -- (Interjection) -- now? All right. Well, I would like explanations in Schedule C under Agriculture, what is covered by (g) and (h), Emergency Policies and Miscellaneous Grants; under Mines and Natural Resources -- (Interjection) -- all right, fine.

MR. CHERNIACK: . . . enough time steering my way through this. Item III 1(g), \$20,000, was to provide financial assistance to victims of the July 20, 1968 tornado which struck property in the La Riviere area. This is assistance to offset part of the cost of borrowing money for replacing and restoring damaged buildings.

The item of \$53,000 was to defray a projected financial loss to be incurred by the Manitoba Vegetable Marketing Commission. This projected loss is for the fiscal year '68-'69, which ended June 30, 1969.

MR. MOLGAT: Thank you, Mr. Chairman. Now, when we reach Agriculture, I presume it'll be in order to debate these matters at that time.

MR. CHERNIACK: It will be in order to debate them, but certainly this government will not be in a position to elaborate on them.

MR. MOLGAT: Then under Mines and Natural Resources, 3(j), Resource Planning in the Churchill Diversion Area, \$157,000.

MR. CHERNIACK: The explanation given is to defray the cost of a resource survey to be conducted in the Churchill diversion project area for the purpose of effecting a program of reservoir preparation and maintenance. Also they intend to develop plans providing for optimum use of those resources in the area.

MR. MOLGAT: Mr. Chairman, is the Minister in a position to tell us the date when this was decided upon and whether this is the Task Force that was in operation last fall or is this a new body?

MR. CHERNIACK: Mr. Chairman, I'm not in a position -- I don't have the date of the Order-in-Council passing the special warrant. Obviously it would have been between May 22nd and July 15, 1969.

MR. CHAIRMAN: The Member for Rhineland.

MR. FROESE: . . .

MR. CHERNIACK: . . . have some additional information on this item.

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

MR. USKIW: . . . special warrant was passed on or around May 29th. This is an action of the previous government, an expenditure of the previous government; this is not a new expenditure on our part.

MR. MOLGAT: The decision according to the Minister was made on the 29th of May, is that right?

MR. USKIW: The note I have says May 29th.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: I didn't get what the Finance Minister had to explain on previous item under Agriculture 1(h). Was it the Vegetable Growers Association or is it the Marketing Board that . . .

MR. CHERNIACK: The Manitoba Vegetable Marketing Commission.

MR. FROESE: Mr. Chairman, I would like to indicate to the Minister now that by the time that we deal with that particular matter under the estimates that we be provided with a financial statement of that commission so that we'll have an idea as to debate that properly.

MR. CHERNIACK: I'll take the question as notice.

MR. FROESE: Thank you.

MR. USKIW: Mr. Chairman, this is apparently an item which was approved by the former Minister of Agriculture as I understand. Apparently the commission ran into a deficit as a result of the lack of product which was the direct result of the lack of harvesting of the product last fall, which meant that they were not going to get the volume to equal off their costs for the season and consequently run a \$53,000 deficit. The Department of Agriculture was approached and as I understand it they approved the \$53,000 grant to offset that deficit. -- (Interjection) -- I'm not sure that I can answer that right at the moment.

MR. CHAIRMAN: Shall we proceed to the main estimates? The Honourable Member for Ste. Rose.

MR. MOLGAT: Under Item XIII, Tourism and Recreation, Churchill Archaeological Survey. Could the Minister tell us what this represents; and again, if he has any indications of when the decision was made on this?

MR. CHERNIACK: July 15, 1969. It was to cover the cost to be incurred in conducting an archaeological survey in the Churchill diversion project area. I believe that this was - it was explained to us I think during the last session that the plan was to speed up the archaeological investigation before the flooding took place. -- (Interjection) -- no harm in it.

MR. CHAIRMAN: Do I understand from the Minister of Finance it is his intention now to go to the Department of Agriculture?

MR. CHERNIACK: No, I'm sorry, I was wrong. Mines and Resources.

MR. CHAIRMAN: The Department of Mines and Natural Resources.

MR. CHERNIACK: In the main estimates.

MR. CHAIRMAN: The main estimates.

MR. CHERNIACK: Might I explain, Mr. Chairman, and ask the committee's opinion -- the Clerk has advised me that it would be more convenient for the records if we could go into concurrences following the passing of the supplementary estimates, supply, on those supplementary supply alone. He has requested that we do this. We couldn't of course do it until we've finished the Health estimates tomorrow; but if we have the concurrence of the committee we would propose to take the Clerk's suggestion and before we adjourn tomorrow morning we could move back into the House for the concurrences. If there's any objections I'd like to know what they are so that the Clerk can tell me just what the reaction should be.

MR. CHAIRMAN: The Honourable the Leader of the Opposition.

MR. WEIR: Mr. Chairman, I'm not sure that I'm prepared to give an opinion on it at the moment because we haven't really completed them as yet. The major expenditures in terms of the supplementary is still outstanding and hasn't been dealt with. I think any opinion I would have would probably have to await the progress we make in that field.

MR. CHERNIACK: Well that's perfectly in order, Mr. Chairman, and the reason I mention it now is to give the honourable members an opportunity to consider what the impact of the suggestion is and possibly tomorrow we can again ask the question and see if there's any objection.

MR. CHAIRMAN: We'll now proceed to the Department of Mines and Natural Resources.

(MR. CHAIRMAN cont'd) Resolution 72, 1.(a). The Honourable Minister of Mines and Natural Resources.

MR. EVANS: Thank you very much, Mr. Chairman. I would say at the outset that I am deeply honoured at having been given such a diverse and heavy portfolio as I am now finding the Department of Mines and Natural Resources to be, and more than ever I can sympathize with my predecessor in this particular position. Indeed it has a very heavy administrative load, but I am very pleased to report that we do have some excellent departmental staff, very reliable, devoted to the public service, people of high calibre and with their assistance, things go on.

Now there are several important things that have happened since these estimates were first received during the first part of March - or during March. For example, the Fresh Water Fish Marketing Corporation, which has been discussed during the debate on Bill 10, the Fisheries Act. It started to operate and it shows promise of solving some of the problems facing our commercial fishermen. The prices set by the corporation have been generally higher than usual, partly because of the corporations' monopoly position in the fresh water fish market and partly because of the favourable conditions that are prevailing in the market presently for fresh water fish.

There's a grave need to improve the quality of our fish. This remains to be a problem, but we are tackling it with the fisheries training centre which recently started operation on the shores of Lake Winnipeg at Hnaua, and I'm pleased to say that I have inspected these facilities and was greatly impressed by them. The facility accommodates 28 fishermen at a time and concentrates its teaching efforts on better fish handling and more effective production techniques. It is the only fisheries training centre in the fresh water fishing area of Canada. To that extent this is a first.

Passing on to forestry. The mechanized logging training program at Moose Lake wound up at the end of July with 26 residents successfully completing the course. I'm told that plans are now under way to establish a convertible Crown corporation which will be organized in the Moose Lake area to harvest wood on a contract basis. The corporation is being designed to provide the Moose Lake loggers with the opportunity to take over and manage the operation on their own eventually. In other words we will get them started, hoping that they will do the job and manage the project themselves within two or three years. The objectives of the Crown corporation will be three-fold: (1) To provide employment opportunities in a community where little alternative employment exists; (2) to develop the skills of Moose Lake residents employed in logging; and (3) to gain wider knowledge in engaging of indigenous people in major economic activities. What is expected at the Crown corporation will be established later this fall.

In the Morris, and indeed over much of the province, mineral exploration continues to increase. Last year the expenditures for exploration activity in Manitoba reached about \$8 million, 3 million more than the figure for 1965. Much of this activity of course has been in the Thompson nickel belt and the Flin Flon - Snow Lake copper zinc areas, but large scale programs are also under way in areas that in the past have received little attention. Therefore, in both the northwest and the northeast corners of Manitoba we see large reservations being taken out by exploration companies. And I might report also that a few days ago I had the pleasure of opening up our first exotic mine in Manitoba, namely the Bernic Lake Mine which is approximately 35 miles northeast of Lac du Bonnet. I'm told by the owners of this project that the value of this exotic mineral, tantalum, is equivalent to ten times the amount of the largest copper mine known to exist in the world. So we have quite a substantial, quite a valuable mine on our hands in the northeastern section of Manitoba.

As I said at the beginning, the department is very diverse and I could talk for many hours on various individual activities that are going on. However, I'm skipping over some of the highlights.

I would like to mention one other item and that is the Wilderness Corps at Bissett. I would point out that this Wilderness Corps has had unreserved success. During their eight weeks at the camp the 24 members of the corps were trained in wilderness survival, canoeing, camping, woodland ecology, first aid, hunter safety, water safety and leadership. They have also cleared portages and canoe trails on the waterways they travelled. It's hoped that this experience will make these 17-year-olds more aware of resources problems and that they will consider seeking careers in the resource field.

There's one more area of activity about which I would like to say a few words and that is the department's field operations. You can easily see that in terms of the dollar expenditure

(MR. EVANS cont'd) . . . this is the major item. It's also a major aspect in our total resource management program, and, like previous ministers I'm sure, I would like to say that these fieldmen are the ones who carry out our departmental programs and to many citizens around the province these men are the department - these men constitute the department. It is my impression that they are doing a good job and I want to publicly acknowledge their efforts.

I think with these brief remarks, Mr. Chairman, I would commend these estimates to the House.

MR. CHAIRMAN: The Honourable Member for Gladstone.

MR. J. R. FERGUSON (Gladstone): Thank you, Mr. Chairman. My predecessor, the Honourable Nelson Shoemaker, I would imagine in the 11 years that he was here extolled the virtues of the constituency that I represent and possibly some of the problems along with it.

I would like to congratulate the Honourable Minister of Mines and Natural Resources and wish him well on his new venture.

There are several items connected with this portfolio on which I would like to speak briefly. The first I believe, and the major problem in our area, would be water control. This has been a problem of great magnitude in the Gladstone constituency for many years and each succeeding year we see it becoming a little more pronounced as more ditches are dug and more of the brush cover is bulldozed off, causing a faster run-off to the major drainage systems and consequently more major flooding as the tributaries progress further along. Now the Whitemud River constitutes the major drainage watershed in our area and the Pembroke and other systems are supplementary. Boggy Creek originates in the Douglas area southwest of Neepawa and the Neepawa Creek originates west of Neepawa in the Riding Mountain area. These two creeks form at Neepawa and form the Whitemud River. They proceed to Arden where the Eden Creek joins the flow, thence to Gladstone and Westbourne, and as more tributaries join the flooding comes more pronounced.

I've lived all my life by the Whitemud and I have seen conditions change from various flooding over the years to major flooding practically every year, and it is really getting to be something that has gone beyond a joke. For two years out of the last five, the town of Gladstone has been forced to dike No. 4 Highway. I imagine anyone that has driven down or through that area during the spring floods has seen sand piled up four feet high along the highway, and this is becoming a major occurrence. Two years out of the last five it's happened.

In the Gladstone cemetery area we have depths of water from four to five feet over the graves and gravestones are washed out. The cemetery is left in a terrible condition. Probably this is something that you fellows have heard before, but it happened again last spring. I had an occasion a very short time ago to be a pallbearer at a funeral and there was four feet of water in that grave. I don't care whether anybody is dead or alive, I still think they deserve a dry hole.

From Gladstone Lake, Manitoba, many times the farmer is unable to feed their cows. They must take bales out to the knolls and high spots with boats.

Work has been done by the previous administration on the two major tributaries in the Gladstone area, namely Pine Creek and Bear Creek. However, it's the headwaters where work must be done. In my opinion, a dam constructed on either of the major tributaries, which would be Boggy Creek or Eden Creek, high enough to hold the flow for three days would overcome a major portion of this flooding.

The next item I would like to speak on, Mr. Chairman, would be the Big Grass Marsh north of Gladstone. For many years this has supplied the people of Manitoba with a hunter's paradise and I can assure you that in the last two or three weeks of this year where we've had abnormal rainfall that it has been no paradise for the farmers that are living along there. There are thousands of ducks and cranes out in the fields every day, and they have been there since approximately the 15th of August. Now various methods have been tried to frighten these birds away, from scarecrows to automatic scaring devices, and none of them have proved very effective, primarily because all they are doing is chasing the birds from one field to another. I would suggest to the Honourable Minister that possibly if a program was instituted whereby certain portions along this marsh were purchased as an outright deal and sown down and left for feed for the ducks; or on a yearly basis, contract with the local farmers - spot them possibly three miles apart. This business of recreation and hunting is no longer what it was ten years ago. People in this area are being hurt and they're being hurt quite badly and the cost is not prohibitive to overcome it. Now I feel that an expenditure of possibly in the area of 10 or 20 thousand dollars possibly would do it, which would maybe institute 50 cents a license. But I

(MR. FERGUSON cont'd) would suggest to the Minister that this is one area that I would certainly appreciate if some thought was given to.

Thank you.

MR. MOLGAT: Mr. Chairman, we had an extensive discussion on this department at previous times and particularly one section of this department's activities, the South Indian Lake matter at the previous session, and I don't propose to go over all the territory again, although if the Minister is in a position to tell us where the government now stands on the question of South Indian Lake and when he might expect to make an announcement, I think that this would be a proper time to have some information from him.

This is one of the departments, Mr. Chairman, that affects a large number of people in the province because there are so many aspects here, whether it's mining or lands or forestry or fisheries or game, that relate directly to people. I would hope that in all his work in this area the Minister would be very mindful in those areas where there are volunteer groups to keep in very close touch with them and pay close attention to what they have to say, and I know that there are in many of these areas some excellent organizations made up of concerned people in the province. Certainly one of the leading ones is the Wildlife Federation, and I think I can say that previous governments, regardless of what their political background was, were very mindful of the value that volunteers have in coming forward with good ideas as to what needs to be done, and particularly a very useful work in relating to people in the province what it is that government is trying to do, and provide that liaison which is so essential between people and government.

Now every year the Wildlife Federation has its meeting and arranges meetings subsequently with government and proposes what they think are the right solutions for the problems in game and fish and conservation. Right now throughout Canada, as we were discussing earlier today, is a growing concern about problems of pollution and problems of conservation. We are amongst the very fortunate people in Canada in having still very great areas that are untouched, and where if we apply the right policy we will eliminate some of the problems that have developed elsewhere; we will be sure that we protect and use our natural resources for the very best advantage of all of our people. But this isn't something that can be done by government alone; there must be very close relationship between people and government.

And so, as I have mentioned, I will not be going over step by step all the various items in this department, but I would hope that the Minister will be conscious in all his activities of the very real concern here of people and make full use of the voluntary organizations; listen to them; co-operate with them; enlist their support in programs; make sure that we develop in the government programs those which have the support of the volunteer organizations and thereby give the very best management in all of these areas.

Continued on next page

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. HENDERSON: Mr. Chairman, first I would like to congratulate the Minister on his appointment. I realize that he is new on this and that he is not and I will do all I can if at any time I can co-operate with him.

I was very disappointed in hearing his remarks, although I realize that he probably didn't cover all the points, and if I might now I'd like to direct a question to him so as to guide my own statements as to whether they plan, or what is the government's policy on the Pembina Dam? Could you answer that now please or do you want to wait till after?

MR. EVANS: I wonder if I could answer that later?

MR. HENDERSON: Well, Mr. Chairman, the reason I want to bring it up is because there's so many new members on both sides of this House. I know it was the policy of the previous government, and I thought it was a very good one, because the Honourable Member from Rhineland spoke about if this dam was put in, which would be put in in south central Manitoba, it would be of terrific benefit to tourists. The Honourable Member from Rhineland outlined this. We were told how the tourist industry is increasing. In these days we have too much wheat, and if some of this land was taken out of grain and used as a tourist attraction it would mean something.

And the other point I think is that at this time that it should be a better time to talk about it because surely Ottawa has a guilty conscience, as you could say, about all the wheat that we have and might be willing to put some money into Manitoba at this time. This project would be shared between Canada and the United States, and from there it would be divided between the provincial governments and the municipal governments. In the report of the Red River Valley Commission it said that the cost to Manitoba could be repaid in one year of the loss that would be suffered in the special crops, the labour and the canning industry. If this dam was in, there could be several thousands of acres in this area irrigated. This is a very flat, sandy type of soil which is very fertile, and these people already are growing many special crops and root crops. They're growing peas and beans and cucumbers and tomatoes and potatoes -- they're growing these in volume. Now these are the things we want these years because we know that we have to ship our produce out. Manitoba cannot handle all these things.

We also know that we want industry there. I know that already we have lost industry in that area because we couldn't guarantee them an adequate supply of water. If we're going to encourage other industries in there we're going to have to have this water, and so now these days when we're talking about diversity and getting some land out of wheat and tourists, I think it's the real time to bring it in. Think of the labour that row crops cause in an area too, which means more money into the area.

In the TED report I read in one place, it said: "Our greatest potential is to ship converted raw material out of parts of Manitoba. We're situated in that part where we can ship, north, south, east and west. This means that a terrific increase could be there in the canning industry. If there was plenty of water in this area, there could be more feedlots and piggeries, because as many people don't know, the people in some of this area depend on the water from dugouts. These dugouts will go dry in the wintertime and this is no good for cattle. If you have to go and haul water, there isn't enough money in it.

Now I think this thing of putting in this Pembilier Dam is really something that concerns the tourist industry. It should concern the Minister of Agriculture, it should even concern the Labour Minister, the Minister of Mines and Natural Resources and even the Minister of Finance, because if these people are doing well, there'll be more money for them. On top of that, the wonderful thing about this program is that you can get on with it now because it has to be negotiated with the United States, and to be getting things on the go and it doesn't take an immediate outlay of money at the present time. So I'd be very interested in seeing this thing go because this is very important to our area.

The Pembina Development Corporation in this area which represents about eight municipalities and the larger towns are also in support of this thing, so I'd be very interested in seeing the Minister of Mines and Natural Resources press as hard as he could for this to happen in the near future. Thank you.

MR. CHAIRMAN: The Honourable Member for Churchill.

MR. BEARD: Thank you, Mr. Chairman. I'd like to congratulate the Honourable Minister also on his appointment. Certainly as far as I'm concerned it is one of the more important departments of government, particularly in Manitoba, and if Industry and Commerce will complement it then we can see large steps forward.

(MR. BEARD cont'd.)

I would like to congratulate the Minister on his ability to bring his estimates up when the press gallery is absent of members. I don't know how he arranged that but I'm sure that it'll cut the debate down by many hours if it continues.

In the north I would point out, of course, the tremendous development all Manitobans have seen come out of International Nickel's investment in Thompson. In fact, I would go so far as to say in all probability, Mr. Minister, that if it hadn't been for the International Nickel Company, we wouldn't have the now Minister of Transportation with us. People often talk about the wild life in the north, I suppose; we have every kind: it floats, it flies, it runs and it complains. But, Mr. Minister, we don't really want to bring to you the impression that we are always complaining. We feel that we have a contribution to make toward not only your department but the Minister of Finance and the many other departments that depend more and more on the development of the north. Certainly it is a changing world that we live in at present, and I believe you will agree with me that your department now and certainly in the future will contribute more and more toward the financial well-being of this province, and in doing so it is going to require more and more concentration on the development and exploration of that vast north, which takes up over half, probably three-quarters of this province.

As the Member for Ste. Rose said, we are relatively free of pollution in northern Manitoba, and it would be hoped that your department can continue to see to it that this remains as it is. We have a very valuable resource in the water itself and I often wonder if I may say to you that probably that fresh water resource is something that we should consider. Now I know politicians and parties and people themselves will in many cases say that this is a product of the province and no-one should dare to get up and talk about selling this type of a resource. But I often wonder as I move around in the north and see the great rivers such as the Hayes and the Nelson and the Churchill emptying into the Bay to become salt water, that there should not be consideration given to the loss of the resource; because granted as it moves through the provinces it belongs to the people of Canada, but as it goes into the Bay, then it becomes a loss to the people of Canada and to our southern community. And we might just point out the problem that Metro Winnipeg are concerned with at present, as to what they're going to do about the future demands on their water system.

It always bothers me when I find that pipelines are being used for many many things in this modern age and never have we had a Minister of the Crown get up and say that possibly we should review the position that we fortunately have in Manitoba of a large resource being wasted, because it is being turned into salt water and at present they do not have an economical means of turning salt water back into a fresh water resource. So at the mouths of these rivers you have a tremendous potential that is there that has not been developed as yet; and while I'm not an engineer I wonder why we could not turn and reverse that water. We've had the opportunity to use it throughout the whole of Canada, why cannot we reverse the turn and send it back down into the areas where it could be best used.

Now I realize I think, there's a 750-foot drop between Lake Winnipeg and the Hudson's Bay but I don't believe that this is a real problem in engineering today. I find that cities throughout the world almost, we'll say, but certainly throughout the North American continent, are struggling for fresh water, and here we have millions upon millions of gallons being wasted by being allowed to dump into the Bay and really not being of any value to the province. We've used it throughout Canada, we've used it throughout the North American continent and then it comes to us and we are the only ones that are in the position to say what should be done with it. We're the ones that can propose to other parts of our province, of our country, and if I may say of the North American continent, that here we have a product that is of value; whether it may be turned back into the Great Lakes system, whether it may be turned back into cities, whether it may be used as irrigation, whatever it happens to be, we have that resource. It is not polluted, it is fresh and it is of value and it is of loss. It has been throughout all the years and it will continue really to be a loss to the country and to the North American continent unless it can be returned to the areas that suffer because they lack fresh water or suffer because they cannot, through legislation, take a large portion of this water until it comes to our back doorstep. And Mr. Minister, if you could in your own mind turn this around and say, "Here, we can return it, we can do something with it." -- Maybe that's away off, maybe it's a "Cloud Nine" suggestion, but certainly as one watches that water continually be dumped into the bay day after day, hour after hour, then it seems to me that there must be a tremendous loss, not only financially, but in every other way, particularly in the large urban areas, and I think that this is one way in

(MR. BEARD cont'd.), . . . which we in northern Manitoba could contribute towards the well-being of areas in southern Manitoba.

I believe that you struck on a fine point when you spoke of eight millions of dollars being used for exploration in Manitoba. This is an important point, a very important point, that southern people must take into consideration, because I suppose out of this, maybe others could correct me, but I would suppose in all probability almost a half of this is used in manpower by these companies that are spending the money on exploration. Granted, somebody may get up and say they go a lot of it by air, but in the final analysis it has to be done by people, and they are contributing a great deal towards the well-being of the people in northern Manitoba; and not only the people of northern Manitoba but the people of southern Manitoba, because of the engineering and everything else that goes into exploration. I would hope that maybe this could be . . . down even further, and as you suggested, our northern people being trained to take their responsibilities and take their opportunities to make something out of exploration.

I think that in many cases you would find that the mining companies themselves in developing a mine often invest hundreds of millions of dollars in that development before they make a nickel return, and as you just said, you have opened a mine, its productivity is going to be large, the returns to the investors are going to be large, the company is going to be large, and possibilities are that they in turn will be able to develop other resources in the province. But I say to you Mr. Minister, that we would have to then consider what should be done about exploration in the north, what should be done about claims. And while I realize I asked you earlier about this I do have to come back to it again and say that X claims can often be kept for a matter of a few hundred dollars a year and not too much done towards contributing toward the good of northern Manitoba. I think that you would have to do a little research on exploration and the rights of companies to own claims or to sit on claims, I would say. And this bothers me because then we come to the point of our present oil problem -- or, it isn't a problem, it's a wealth, a projected wealth that could well be developed in the Hudson's Bay area itself. Certainly they have got down to serious drilling at this time and I believe all of us look optimistically towards the fact that there could, should or will be oil discovered in the Hudson's Bay. And of course, one problem this brings up; are you in fact working with the federal government to make sure that we don't have the problem, what was it, that Florida had where the oil started to cover the water and they ran into the serious problem of pollution. But I think that probably engineering can overcome that. But I am fairly sure when I say that in my mind, if I remember correctly, there has been claims taken out for exploration on the mainland of Churchill, and this is something that I think we should look at, because when I see other parts of the country getting money from industry because in bidding for claims and areas then they are getting another prepaid, an amount to look into the resource, the possible resource - the claims that they are buying. I think that this would be one area in which perhaps we should explore a little closer, keep a little closer finger on it because certainly we wouldn't want to be in the position where companies would be able to cap potential mineral resources without developing them or saving them for the future.

I think also that it goes back to one other problem, I go back to one other problem that we have and this is again with the federal policy on slow growth areas to the south, but this is good maybe for southern Manitoba. But then I look on the other side of the calendar and our federal friends are spending multi-millions of dollars on the development of northern Canada - in the Northwest Territories. I think it's a \$40 million development around Frobisher. There are other areas where they are spending huge amounts of money. The estimates if I'm not mistaken for the Northwest Territories was around 30 to 40 millions of dollars this year budget. This did not include the money that was spent by Northern Affairs or by the Department of Public Works through the many other areas in which government spends independently in the north. Our federal friends are saying to us, or are proving to us that they are prepared to spend this type of money to get ready for the development of the Northwest Territories, to inject these many millions of dollars, many many millions of dollars into the Northwest Territories. And it's kind of a hop, skip and a jump. They are going to develop the urban areas of the south, they're going to miss the northern prairie provinces, and they are prepared to develop areas which border on to our provinces but certainly are in the Northwest Territories. They have again said they're prepared to spend 80 millions of dollars on exploration in the eastern Arctic. This money is coming from monies that are collected all over Canada and I don't mind that. But the problem is that the resource itself in northern Manitoba, as we're restricted to, is not

(MR. BEARD cont'd.) . . . really being contributed to in any proportion to what these people are ready to do either in southern Manitoba or in northern Canada. And when I say northern Canada, I mean the Northwest Territories.

So here we have this large area that has the question mark and they're leaving it on your doorstep, and saying to you we're going to abandon our roads to resources. We're going to abandon the federal-provincial programs which would allow you to develop your northern areas; but they're not saying to you, they're not saying to you that we in turn will return to you the royalties, etcetera, that they are collecting out of this abandoned area. And I think that the Federal Government are wrong in their thinking along these lines because they're sitting there as a tax collector; they're sitting there giving tax concessions to industry, but they're not prepared to help you, the government, develop the very important government services that are required to open up these vast areas. And when you're talking about two-thirds of the province and you're asking people living in southern Manitoba, or you're trying to convince them that this is the area in which you have to invest your money, I sympathize with you, and I sympathize with people sitting on government benches when they have to go to the public or they have to get this message across to the public that it is important indeed to develop for the future of Manitoba, to invest these monies. I would hope that you would be able, along with your colleagues in western Canada, and particularly in the western prairie provinces, when you go down east to try and get them to inject, in proportion, that money which they're giving to the Northwest Territories. Because if I can go back to that budget, I looked at it, but as I went through it I could only pinpoint actually approximately \$250,000 of tax dollars by industry estimates by the Northwest Territories as monies that government was collecting in the north. So here's an investment of millions of dollars and the returns where they would have to be waiting for years to come.

I think it is rather startling to say that here we are developing our southern part of Canada - which we have done. They have milked it pretty well dry. We are in the problem of agriculture and the changes in agriculture. We have seen eastern Canada take advantage of the development of the west to fatten their pockets and now we come to the problem of development of our last frontier. They are falling behind the federal government's investment in northern Canada - they have jumped over in part of this province that you are very interested in. The Minister of Industry and Commerce is very interested in it. Certainly, I am sure, the Minister of Finance is very interested in it. And if there has to be this investment then I have to think that they have to carefully look at the redistribution of the monies that are being invested in Canada itself and say are we going to go ahead and develop the Northwest Territories and leave that large area in between vacant. Because we have proved, or industry has proved, that there are vast resources that are closer to the markets of the world. We have the great resource of Port Churchill which is not being developed, and this is why I continually say that if we as Manitobans cannot develop the Churchill area then perhaps we should let them get in on the gravy train and let the Northwest Territories have the responsibilities of that. But of course again we must consider what this does. This takes away a port from Manitoba which apparently in the past they haven't really given a damn about, they haven't invested in it, they don't worry about it. -- (Interjection) -- Well if the Minister of Transportation can say it, so can I. Oh, I'm sorry, the Press is back. -- (Interjection) -- Well we have Hydro Dams and we have many other kinds of dams and we have the federal dam down in Ottawa which is a problem. If they'd let a little more out of their gates maybe we would get along and I wouldn't have to stand up here and talk.

But if we are going to go ahead with, and we will be coming back to you year after year to look for money to provide government services, then I think you, as the Minister of Finance and you, as the Minister of Mines and Natural Resources, must be prepared to find the monies that are necessary to complement the new mining areas plus the other areas that are in northern Manitoba. You can close your eyes. You can do whatever you like but come election time they're still going to be there, they're still going to be voting and the one that can act as the ombudsman is the one that is going to be able to win their favour. So I would say that if you as Minister of Mines and Natural Resources are going to be able to keep up with the demands of Lynn Lake for a highway, of Thompson for a corridor, central corridor down through to Winnipeg, if you are going to have to look at a highway connecting Ilford, Gillam, Churchill, to a network to the rest of Canada, then you are going to look at a multi-million dollar project. And I know that the Minister of Finance probably won't sleep very well when he starts thinking

(MR. BEARD cont'd.) . . . about these kind of dollars. But it's there, necessary, and it has to be looked at; it has to be considered and no longer can government go blindly along and close their eyes to it because there's a building of pressure there; and you only have to live in the north to find that these pressures are building up. And Thompson isn't answering it; neither will the forest industry in Churchill answer it; Lynn Lake won't be the answer for it; Flin Flon certainly hasn't proved to be the answer for it because they create the demand for more and more government services, and then you get more and more mines being developed. So out of this you have to decide whether you're going to put the horse before the cart or how it is going to be done.

But certainly if we look back to the imagination of the early fathers of Confederation when they had the guts to get up and say we can see a future in western Canada and we are prepared to build a railroad or build two railroads to connect the east with something in the west and they never knew what was going to be there anyway. But what a wonderful thing that was for Canada's hope. And what else did they do? They went out and they gave away land in western Canada which our farmer friends tell us a few years ago that's worth \$20,000 a quarter; today they say it isn't worth maybe quite as much. But the land value was there; somebody got it for a dollar. But it wouldn't have been worth the money that it is today unless somebody had been able to come up with a program to develop the large areas which are so necessary for an expanding population.

I suppose I have run out of steam, Mr. Minister. These were the important points that I felt that should be considered. Certainly I can't sit down without saying that again this government can't take the attitude that they're only going to look after the large areas; they've got to come up with programs to develop the small areas because they are very very important to you as Department of Mines and Natural Resources because these are the people, and these are the communities that are necessary to develop the Lynn Lakes and the Thompsons, the Falconbridge areas and such on. Because these are the communities that provide the manpower, and when it's over and then you find that they're left behind, they have been used to large amounts of monies, and then all of a sudden they are a forgotten people because they haven't been able to keep up with the thinking of people that have come in and disturbed them from a way of life that they have lived for some hundreds of years. So it is that you have a wide area to look at. I won't attempt to comment on South Indian Lake at this time because I suppose it's going to come up at a more appropriate time. I don't know when it would be, but I guess we'll get at you sooner or later; I don't know when it will be. But each of us have our own thoughts on it and I wouldn't like to see you sneak through some legislation without me being here to have at least one kick at the cat. -- (Interjection) --

Now the Member for St. Boniface is back I guess we'll have to get back. . . .

MR. DESJARDINS: I'm back, leave the cat alone.

MR. BEARD: And so it is if you will look into some of these things. I don't say I'm all right. I do say that I live in the north. I've been around there. I'm one of the fortunate ones - the north was good to me, and possibly if you want to get a little sentimental, maybe that's why I'm here tonight. But I think that the north has a lot to contribute, a lot more than the financial people of Manitoba are prepared to face up to. Maybe we'll be talking more about this on Friday. But I think that somewhere along the line this province has failed, has failed to bring the importance of the development of the north to the people in this province who have the money to invest in these large adventures in our own province. They seem to be a blue chip investment type of people that want to be sure of an investment and then they turn around and cry because somebody else gets in, and proves to them that there is money to be had in our part of the country. And certainly over the years I've heard it, you've heard it from your fathers that eastern people have always taken advantage of the west. I would hope that southern Manitoba takes advantage of the north, rather than leave it to their friends in other areas to invest and get ahead. Because we need the economy here. We need the prestige of Manitoba money, and I would hope the trips such as we have had to the north has encouraged our financial houses to take another look at their own back doorstep and see the future that is right here for them. Because at present they're too interested in developing from Winnipeg, they say bring it down here and we'll do it for you. I say it's time for them and for the younger people in the financial community to get out and invest in the north and they will find that the returns are just as great or greater than sitting in a metropolis that is already overpopulated.

MR. CHAIRMAN: The Member for Swan River.

MR. BILTON: Mr. Chairman, I just want to take a few moments of your time, but first of all, I'd like to compliment the Minister on his appointment. He looks to me as though he's a man that's going to go places and I would wish him well. Before someone points a finger at me and says, these estimates are your estimates and that we spent 80 hours on them, I would remind you that I am like some of the 26 members that are in here - I was sitting in that chair and had no part in making them up, so I feel as though I may say a few words on behalf of my constituency and other things that occur to me.

First of all, Sir, in the matter of water control in the area that I come from, in wet seasons we have tremendous runoffs from the Duck Mountains; the Rural Municipality of Swan River and of Minitonas have been put to a great deal of expense over the years and it's alarming to see the tremendous top soil that is washed away, spoiling beautiful farmlands. It has of course been my purpose over the years whilst a member of this House to bring this to the attention of the government most forcibly and they have down through the years contributed to a large degree toward arresting this situation; and I'm merely mentioning it in the hopes that the Minister will keep his eye on the situation and assist the local folk to do something that really needs the attention.

My colleague for Gladstone went to some length speaking of the wildlife and I would like to acquaint the Minister with the fact that we have somewhat a similar problem. We're in the "flight line" I believe they call it, of the geese and ducks from their northern habitat in the fall. I'm thinking particularly of the Lenswood area where the farmers year by year sustain tremendous losses through geese which lash around and about in stands of barley and it is a pitiful sight. They are, of course, contained by regulations and the farmers themselves whilst they have been patient over the years, I wonder if something could not be done in your wisdom, Sir, as the years go by, with the thought of developing some compensation for damage caused by wildlife in these farming areas. We have the same sort of thing with the elk and deer in the foothills of the Duck Mountains and the Porcupines, where farmers are sustaining enormous damages in the fall each year by the wildlife as they come down from the hills. I'm one of those, too, that have been reminded by my constituents many times, that this trophy season which has been in operation for many years is something that should be watched very closely and so far as I'm concerned eliminated entirely. It has been my misfortune, if you like, to see moose weighing 16, 1800 pounds having been wounded, gone into the bush during this particular season, and just simply died. At that time of the year tracking is difficult and when animals such as this are wounded and left to die, I think it's a terrible waste. -- (Interjection) --

The early season on elk? The same thing applies, Mr. Premier. I've had many many complaints in our area as you know. That is an area which they open up in the fall. The permits are given by draw and there are animals that are wounded and do go into the bush and perish, which I don't think is too good. I will discuss that with the Minister privately on some other occasion and give him more of the highlights of that situation.

I mentioned in one of my speeches earlier about the detainees from Headingley that were contained at Cache Lake and doing a marvellous job in the Duck Mountains. I wonder if the Minister would also keep an eye on this, with a view to possibly expanding it. These young men, and older men for that matter, seem to enjoy this outdoor life, and certainly it's much better than being down here in Headingley and other places of containment. I was thinking in particular terms of Whitefish Lake which is developing into a resort area and tourist area and these men, if a camp could be set up in that area over the years, could do a tremendous job in cleaning out the bush and taking -- well, doing the things that should be done in an area such as that. It is only in recent years that this beautiful spot has been opened up. The department has spent many many thousands of dollars and it's becoming a favorite area not only for the local people but people from Flin Flon and Thompson come down and certainly we have many Americans coming up there year by year.

With those few words, Mr. Chairman -- I may have something to say a little later on, but in the meantime I just wish to bring those things to the attention of the Minister, knowing full well that he'll look into it from time to time. Thank you very much.

MR. CHERNIACK: Committee report.

MR. CHAIRMAN: Committee rise. Call in the Speaker. Mr. Speaker, the Committee has adopted certain resolutions and directed me to report same and ask leave to sit again.

IN SESSION

MR. RUSSELL DOERN (Elmwood): Mr. Speaker, I beg to move, seconded by the Honourable Member for Winnipeg Centre, that the report of the Committee be received.

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

MR. SPEAKER: It is now 10:00 o'clock; the House is adjourned and will stand adjourned until 10:00 o'clock tomorrow morning.