

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, 15 May, 1981

Time — 10:00 a.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): Presenting Petitions . . . Reading and Receiving Petitions . . .

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: The Honourable Member for Rhineland.

MR. ARNOLD BROWN: Mr. Speaker, I beg to present the First Report of the Standing Committee on Municipal Affairs.

MR. CLERK, Jack Reeves: Your Standing Committee on Municipal Affairs met on May 14, 1981 and heard representations with respect to the bills before the Committee as follows:

Bill No. 42, An Act to amend The City of Winnipeg Act,

Mr. Frank Steele, City of Winnipeg Law Department.

Bill No. 30, An Act respecting The Sperling Joint Community Centre District,

Ms. Mona Brown of McKenzie, Mooney & Brown, Carman, Manitoba.

Your Committee has considered:

Bill No. 11, An Act to amend The Municipal Assessment Act.

Bill No. 12, An Act to amend The Municipal Act.

Bill No. 30, An Act respecting The Sperling Joint Community Centre District.

Bill No. 44, An Act to amend An Act respecting The Beautiful Plains County Buildings.

Bill No. 45, An Act to amend An Act respecting the Town of Dauphin (2).

And has agreed to report the same without amendment.

Your Committee has also considered:

Bill No. 35, An Act to amend The Planning Act.

And has agreed to report the same with certain amendments.

Your Committee recommended that Bill No. 42, An Act to amend The City of Winnipeg Act, be referred to the Standing Committee on Law Amendments.

MR. BROWN: Mr. Speaker, I move, seconded by the Honourable Member for Crescentwood, that the Report of the Committee be received.

MOTION presented and carried.

MR. BROWN: Mr. Speaker, arising from the Report of the Committee, it was decided that Bill No. 42, An Act to amend The City of Winnipeg Act be withdrawn

from the Standing Committee on Municipal Affairs and referred to the Standing Committee on Law Amendments.

I move, seconded by the Member for Crescentwood, that this be done.

MOTION presented and carried.

MR. SPEAKER: The Honourable Member for Springfield.

MR. BOB ANDERSON: Mr. Speaker, I beg to present the First Report of the Standing Committee on Agriculture.

MR. CLERK: Your Standing Committee on Agriculture met on May 14, 1981 and heard representations with respect to the bills as follows:

Bill No. 19, An Act to amend The Veterinary Medical Act,

Dr. Blaine Thompson, Manitoba Veterinary Medical Association.

Bill No. 58, An Act to amend The Agricultural Lands Protection Act,

Walter Kehler, private citizen.

R.O. "Bob" Douglas, Manitoba Farm Bureau.

W. Kucharczyk, private citizen.

Your Committee has considered Bill No. 58, An Act to amend The Agricultural Lands Protection Act, and has agreed to report the same without amendment.

MR. SPEAKER: The Honourable Member for Springfield.

MR. ANDERSON: Mr. Speaker, I move, seconded by the Honourable Member for Emerson that the report of the Committee be received.

MOTION presented and carried.

MR. SPEAKER: The Honourable Attorney-General.

HON. GERALD W.J. MERCIER (Osborne): Mr. Speaker, just on a point of order to make sure members are aware. The committee has not reported The Act to amend The Veterinary Medical Act. It is my understanding that would be considered by the Committee on Statutory Orders and Regulations as part of the package of professional bills that were referred to that committee yesterday.

MR. SPEAKER: Is that agreed? (Agreed).

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Energy and Mines.

HON. DONALD W. CRAIK (Riel): Mr. Speaker, I wish to make a statement at this time.

MR. SPEAKER: Please, are there copies available for the members? If the Honourable Minister will wait.

The Honourable Minister of Finance.

MR. CRAIK: Mr. Speaker, less than a month ago I was pleased to announce the signing of a Letter of Intent which we expect will lead to a \$500 million aluminum smelter in Manitoba, together with a proposed investment by Alcan of a further \$500 million in part of a Northern power plant. This would bring Alcan's proposed investment in Manitoba to more than \$1 billion.

Mr. Speaker, today I am happy to announce and to table a Memorandum of Agreement that this government has just signed with the International Minerals and Chemical Corporation Canada Limited for the development of Manitoba's first potash mine. Under this agreement IMC Canada Limited will proceed immediately with a detailed development plan for a \$600 million potash mine and refinery near McAuley in Western Manitoba. This project will lead to the creation of about 500 direct full-time jobs in that part of the province and an estimated 350 indirect permanent jobs as a result of economic spinoff benefits.

The Memorandum of Agreement was signed by myself on behalf of the Province of Manitoba and by Mr. Richard A. Lenon, Chairman and Chief Executive Officer of International Minerals and Chemical Corporation which has its international headquarters in Northbrook, Illinois. IMC is the largest private-enterprise producer of two of the basic fertilizer raw materials, potash and phosphate besides being a major manufacturer of the third, nitrogen. What the memorandum sets out are firm understandings which will be incorporated in a formal agreement between IMC's Canadian subsidiary and Manitoba Mineral Resources Limited, a Crown corporation.

The intention is to have IMC Canada and Manitoba Mineral Resources form a partnership to develop and operate a major potash mine and refining facility. IMC's initial interest in this partnership will be 75 percent, while Manitoba Mineral Resources' initial interest will be 25 percent. Manitoba Mineral Resources will have the right to acquire up to an additional 15 percent partnership from IMC within five years of actual production start-up. A formal agreement between IMC and MMR is scheduled to be completed on or about June 30th. It will call for the formation of a company to be named the Manitoba Potash Company — MPC — which will operate as a partnership.

IMC plans to immediately begin detailed engineering and environmental studies and additional test-hole drillings to establish a plant site. Preliminary study work has indicated the most suitable site is north of McAuley which is some 40 miles north-west of Virden and close to the Saskatchewan border.

The Manitoba Potash Company intends to assemble a design team in Manitoba, centred at an office located in Brandon. During the design and construction phase this office is expected to open this year and will be staffed by about 15 persons. Core drilling for the shaft is expected to commence in the fall of 1981 with first production scheduled for late 1986 or early '87. Construction of the mine and the adjacent mill will provide an estimated 1,000 construction jobs during peak building periods. A firm policy will be followed of maximizing Manitoba content, both through hiring locally whenever

possible and in their purchasing of goods and services. This project will provide a major stimulant and benefit to the economy of Western Manitoba and to the province as a whole, Mr. Speaker.

What is especially encouraging about this project is that it will be earning foreign exchange for Canada as most of the annual production of two million tons of potash will be exported to the United States and abroad. It has been estimated that there are about 84 million tons of recoverable potash in the area of this proposed mine, which should assure it of a 40-year life. Mr. Speaker, this tonnage estimate is about twice as high as the estimate of one year ago, prior to the further exploration drilling. The average quality of potash is somewhat lower than the deposits further west in Saskatchewan, but again is higher than the initial estimates of one year ago.

Mr. Speaker, I am also tabling at this time the Letter of Intent between the government and IMC Canada of April 1980 which permitted the company to undertake the detailed exploration and evaluation work of the potash deposits which have proven to be so encouraging.

IMC will bring to the proposed partnership all the necessary freehold mining or mineral rights in the region without charge to the partnership company. By the same token Manitoba Mineral Resources will bring to the partnership all the required Crown leases without payment by IMC. About half of the property involved is covered by Crown leases. Each owner of leases will receive a royalty in proportion to its lease holdings.

A major reason why IMC, a financially strong and very experienced company in the fertilizer business, was attracted to Manitoba is because of its good potash deposits, stable power rates and secure energy supplies. Also this government has ensured our mineral industrial taxes are competitive with other provinces; yet, at the same time, ensuring Manitobans receive a fair return for the natural resources they own. The government believes that IMC is an excellent partner to associate with to ensure development of the potash resource through guaranteed access to markets and best prices through a worldwide marketing system. We believe our course of action to be in the best interests of Manitobans and to be the best approach to insure efficient development and operation of the potash mine.

This government's Minister responsible for the Environment intends an environment assessment review process to be established which will include full environmental hearings in the area of the mine and which will be outlined further today.

The agreement states that IMC will pay the same rate of taxation as applies to base metals, that is, a profits-based 18 percent rate of taxation. The province also will receive a volumetric royalty based on the selling price on the portions of the leases owned by the Crown; namely, roughly the 50 percent of the leases. In addition IMC will of course pay normal corporate income tax on its net earnings.

During the past couple of years we have witnessed in Manitoba a strong resurgence of mining and exploration activities. The taxation regime we adopted since 1977 has contributed positively to these developments. The wisdom of our policy is further reinforced by our pragmatic approach to the

development of a potash industry in Manitoba, whereby Manitoba will obtain considerable tax revenues as well as a return on its equity involvement in this partnership project.

This further, Mr. Speaker, diversifies Manitoba's natural resource industries and strengthens our already strong industrial base.

Mr. Speaker, again, and I say particularly to you, although you can't participate in the activities of this Chamber, we're all aware of the fact that the activities of this announcement are going to impact your own constituency and I want to repeat this is Manitoba's first and No. 1 potash mine — it looks like a good one. We look forward to its full development beginning in 1981.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. HOWARD PAWLEY (Selkirk): Mr. Speaker, we welcome in general the announcement by the Deputy Premier pertaining to the development at St. Lazare. But what is most interesting, Mr. Speaker, and very very revealing is that it was only a few years ago this government railed and cried about the heavy hand of government in mining in the Province of Manitoba. Mr. Speaker, this Conservative government has done a retreat apparently in respect to that which they had said but a few years ago.

Mr. Speaker, we have a number of questions that we will be posing pertaining to the Memorandum of Agreement because though it appears that the government has done full retreat — and they have to some extent done a full retreat pertaining to their earlier ideological and doctrinaire positions — there are still many questions that must be posed in regard to the memorandum tabled before us. One, Mr. Speaker, is half the land was in Crown land, then why indeed is the Crown only receiving 25 percent while 50 percent of the land indeed was Crown land? That is a question that we will insist upon answers from the government.

No. 2, Mr. Speaker, we do not trust this government when it comes to picking up additional option on behalf of the public of the Province of Manitoba. Mr. Speaker, we do not trust this government for very good reason because we only have to look at the sellout pertaining to an option that this government had to acquire interest in tantalum and how they gave up an interest, an option that would have awarded the people of the Province of Manitoba millions of dollars. So we do not trust, Mr. Speaker, this government on picking up the additional 15 percent.

Mr. Speaker, there is no reference, Mr. Speaker, in the —(Interjection) .

MR. SPEAKER: Order. Order please. I find it extremely difficult to . . . Order please. I only wish that members would extend the courtesy to the Speaker as well as to the Chair.

The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, the question we will be posing and would be questioning the government in respect to is, what is the cost of the additional 15 percent option to purchase? Why is the government not acquiring an additional option to purchase at least another 25 percent of the potash mine? Why

only 15 percent? What is the cost pertaining to that 15 percent that the government will have to pay in order to acquire an additional 15 percent? As I indicated, Mr. Speaker, we do not trust this government at exercising that option pertaining to their past track record which has been dismal to the say the same in respect to acquiring of options.

Mr. Speaker, we will also be posing questions pertaining to how the government can fix a rate of taxation. Is the government indeed indicating, by way of this announcement, that they are fixing a rate of taxation for the future in perpetuity or only for the present in respect to IMC? Because, Mr. Speaker, if indeed the government is fixing a rate of taxation and is indeed providing for a privilege to IMC that it does not provide to other corporate or individual citizens of the Province of Manitoba, then the government indeed will be hearing much more from the Opposition in this respect.

So, Mr. Speaker, in conclusion, we welcome the announcement of resource in potash development in the Province of Manitoba. Our party, the Official Opposition, supports a social democratic approach pertaining to resource development in the Province of Manitoba in that maximization of mineral and resource development must be returned to the public in the Province of Manitoba. Mr. Speaker, we are concerned by way of this government, this Conservative government's intentions in respect to ensuring the maximization of that kind of return to the public of the Province of Manitoba. Mr. Speaker, it is not because of some new system of taxation that the potash development is proceeding in St. Lazare.

This government cannot blame a previous taxation regime for potash not developing in the Province of Saskatchewan. The reason, Mr. Speaker, that potash did not develop is because of circumstances pertaining to the world market and, as well, the fact is that there is potash in the Province of Manitoba. Mr. Speaker, mining development will occur in Manitoba or any jurisdiction if the resources are there. If the resources are there that activity will take place regardless and irrespective of the political party that is in power at a particular time. The only question that must be posed is whether or not the public is receiving a maximum return, their fair share. We ascertain from this announcement that the government has apparently done some retreat from an original position that this government had taken when they had wailed about the dead hand of government but, Mr. Speaker, we wonder just how far they have retreated from the original . . .

MR. SPEAKER: Order, order please. Order please. May I point out to the Honourable Leader of the Opposition that responses should be brief. I would ask the honourable member to restrain himself if necessary.

MR. PAWLEY: Mr. Speaker, I can assure you that my response is certainly not longer than the announcement by the Minister and it's certainly not more repetitious. What we are doing now is attempting to summarize a position which I say to you, Mr. Speaker, is fundamental and is central to the future direction of the Province of Manitoba in respect to mineral development and maximization of the public return.

So, Mr. Speaker, resource development yes, that resource development will take place irrespective of political governments that are in power. The question that must be posed in each instance is, are the people of the Province of Manitoba receiving maximum return? Mr. Speaker, we do not trust this government; we do not feel on the basis of this agreement tabled in this Legislature that the public is receiving the kind of maximum return that the public in the Province of Manitoba deserves.

MR. SPEAKER: The Honourable Member for Inkster on a point of order.

MR. SIDNEY GREEN: Well, Mr. Speaker, I am asking for leave to make a short statement with respect to this . . .

MR. SPEAKER: The honourable member does not have leave.

MR. GREEN: Mr. Speaker, I didn't hear anybody saying that I shouldn't have leave. Okay, Mr. Speaker, the Conservative benches will not give leave.

MR. SPEAKER: Order please. Notices of Motion . . .

INTRODUCTION OF BILLS

HON. BRIAN RANSOM (Souris-Killarney) introduced Bill No. 63, An Act to amend The Income Tax Act (Manitoba). (Recommended by the Lieutenant-Governor.)

INTRODUCTION OF GUESTS

MR. SPEAKER: At this time I would like to introduce to the honourable members a very distinguished visitor in the person of Monsieur Michel Debuy who is the Canadian Permanent Representative to the United Nations in New York and who, I understand, is also the Canadian Ambassador Designate to France.

On behalf of all the honourable members we welcome you here this morning, Sir.

At the same time I would like to introduce 25 students of Grade 10 standing from the Souris School under the direction of Miss Flamondon. This school is in the constituency of the Honourable Minister of Finance.

On behalf of all the honourable members we welcome you here this morning as well.

The Honourable Leader of the Opposition.

MR. PAWLEY: I beg to move, seconded by the Honourable Member for St. George that under Rule 27 the ordinary Business of the House be set aside to discuss the severe economic situation caused by record high interest rates and by the worst consumer price inflation in more than five years.

MR. SPEAKER: Order please. May I point out to the honourable member that this motion should be raised at the end of the question period rather than before. It's a question of procedure in the House.

MR. PAWLEY: Mr. Speaker, I am certainly prepared to wait till the end of the question period

MR. SPEAKER: Order please. The Honourable Member for Inkster on a point of order.

MR. GREEN: No.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, to the Minister responsible for Hydro. On Page 7 of the Memorandum of Agreement that the Minister just tabled in the House the Agreement states that "The Agreement shall not be binding upon or create any legal obligation on the parties except as provided in paragraph 14 above, unless and until such time the following has occurred, namely, the approval of IMCs and International Mineral and Chemical Corporation's respective Boards or Directors, of definitive agreements at their sole discretion". Can the Minister advise then whether or not these definitive agreements have been entered into?

MR. SPEAKER: The Honourable Minister of Energy and Mines.

MR. CRAIK: Well as I said in my opening statement, Mr. Speaker, it would take approximately until the end of June until all the final agreements are worked out — there are a number of legalities that have to be worked out — so there is that much legal time required. Mr. Speaker, if the member is wondering about the procedures, the reason for the Memorandum of Agreement being tabled at this time is to give the general outline of what is in the definitive agreement and secondly, to proceed with the development work immediately.

MR. PAWLEY: Mr. Speaker, then further to the Minister. Can the Minister assure us that once the definitive agreements are signed, and I assume that they will be signed in view of the Minister's announcement today in the Chamber, will the Minister then assure us that the definitive agreement will be tabled and will be made available to the public?

MR. CRAIK: Very definitely, Mr. Speaker, it will be a public document in the same way as these are public documents.

MR. PAWLEY: Mr. Speaker, then further to the Minister in reference to the option to purchase an additional 15 percent referred to in the announcement that the Minister made a few moments ago, can the Minister indicate the price that is being paid in regard to the receipt by the province of that option to acquire an additional 15 percent?

MR. CRAIK: Yes, Mr. Speaker, it's at actual cost plus an inflation escalator, a CPI escalator, from the completion of construction until the time of purchase of the shares, so the purchase price is spelled out in the main agreement.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Yes, Mr. Speaker, I would like to direct a question to the Minister of Mines and Energy. Can the Minister advise the House whether it is the intention of the government to enter into a binding agreement with, or what they think is a binding agreement, with the IMC relative to what taxes that company will pay in the future? Is that intended to be binding on the government and on that company, the tax responsibility to the people of the province of Manitoba of that particular company?

MR. CRAIK: Well, Mr. Speaker, it's not possible for one Legislature to bind another Legislature and I think the member perhaps knows that. What this agreement says is that the rate of taxation, the mining tax rate on potash based on their income tax, is the same as it is for other minerals — and in Manitoba of course those are the metallic minerals — that's what this says.

Now, in addition to that, the potash company, if it's formed, will pay to the province a volumetric royalty based on the number of tons and the selling price of the product produced, which is a royalty that is not paid by the metallic minerals producing companies. The other companies in Northern Manitoba that are in the metallics business do not pay that so the potash venture will pay, not only the rate of taxation that other mining companies pay, they will in addition pay to the Crown a volumetric royalty for the numbers of tons of potash produced.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Is the Honourable Minister saying that the present mining tax does not apply since it's potash and not mineral resources and that he intends to have an agreement with this company as to what its taxes shall be in relation to what the other mining companies are paying? — (Interjection)— Well, I'm trying to get clarification from the Minister. He says that they will pay the same tax base as the mining companies and then he says it's 18 percent.

Mr. Speaker, in the document that he read he said the rate of 18 percent of a royalty. Is the Minister intending to tell this company that its tax will be fixed, by agreement, to the 18 percent now paid by the mining companies?

MR. CRAIK: Mr. Speaker, it is fixed. The agreement gives them, as the member can read in here if he takes the time to read it, that the rate of mining taxation paid by the potash company is the same as the rate of taxation being paid by other mining companies and there is no provision here that can bind — the member seems to be concerned that somehow something can occur that can bind a future Legislature. If the rate of taxation of mining generally is changed, it changes for potash.

MR. SPEAKER: The Honourable Member for Inkster with a final supplementary.

MR. GREEN: Mr. Speaker, the Honourable Minister indicated that there will also be a royalty and, as I read it, it's on our share that we get a royalty which would be really unusual if we didn't get money from our shares. But may I ask the Minister whether he

has examined and compared, Mr. Speaker, the feasibility and understanding that the previous government entered into with the International Nickel Company of Canada on a 50-50 basis, where we would be 50 percent owners which is 50 percent of our share, and that they would pay taxes as normal companies would pay and a feasibility study was entered into between the government and paid for by the government and Inco, can he compare whether the ultimate deal compares favourably with the arrangement that was being pursued with the International Nickel Company of Canada during the previous administration's tenure to see whether it is just as favourable?

MR. SPEAKER: Order. Order please. We can only have one person recognized at a time. I recognize the Honourable Minister of Energy and Mines.

MR. CRAIK: Mr. Speaker, there are two points that the member is trying to make in one question and they both have to be clarified because left unanswered they're going to leave an impression that ought not to be left.

First of all, the mining taxation in Manitoba comes in two forms, the royalty, as the former government defined royalty, was the royalty, No. 1, through the income tax system; it is a tax on taxable income. Secondly, the royalty that is introduced here is one that is done in addition and the member is trying to make the point that it's only on your portion of the mineral resources you own. That is true on the volumetric tax but it is not true on the mining tax. The mining tax taxes everybody's resources, Mr. Speaker, whether they're owned in fee simple by the Crown, or in fee simple by some private owner; that is what the mining tax does, it applies on top of normal corporation income tax.

The third level of taxation is the volumetric tax that goes to anybody who owns the leases on the minerals and in this case the Crown happens to own roughly 50 percent of the minerals. So the Member for Inkster, in his usual fashion, is cornered and he's trying to cast some doubts and I'm trying to clarify this as much as possible.

Mr. Speaker, secondly, he asked a question as to whether or not former contracts and proposals and so on that he had discussed with other companies for 50 percent, had been examined. I can tell the member that we have gone through all of the calculations. We now have computer capability that will produce sufficient data that you can look at all the options of ownership, non-ownership, 25 percent, 40 percent, 50 percent. We believe in the examination of all of these, that the option that is here for a 25 percent ownership plus an additional 15 percent after the mine is up and running, that the option of the government provides Manitobans with the greatest safeguards; and furthermore, Mr. Speaker, with a better rate of return than if we were to look at a 50 percent ownership.

MR. SPEAKER: The Honourable Member for The Pas.

MR. RONALD McBRIDE: Mr. Speaker, my question is to the Deputy Premier. Since the government has now taken a position that it's worthwhile for the people of Manitoba to keep a share of our resource

development, I wonder if the Minister is now changing his approach in negotiations with companies for the sale of ManFor at The Pas and whether he's considering having the government at least keep a share of the ManFor operation rather than sell this operation directly out to private interests, whose interest might not be to the benefit of all Manitobans.

MR. SPEAKER: The Honourable Minister of Energy and Mines.

MR. CRAIK: Mr. Speaker, if we were able to enter a partnership with a firm that brought to the forestry industry the same type of market security that is being brought to this partnership by IMC through their marketing capabilities, we would be quite happy to look at that option. I stated before and I repeat it again, that has always been an option that we have held open.

Our approach is entirely to secure what we regard as being best for the returns to the province and security for the industry, whether that industry is potash or whether it's forestry.

MR. McBRIDE: Mr. Speaker, the ManFor operation at The Pas does seem to have some security except for the fact that we have a Conservative government which makes it very insecure at this point in time.

My question to the Minister, in light of his concern this morning in his announcement for a Manitoba content, I wonder now if he could answer the question I asked him the other day in regard for invitational bids for structural steel for ManFor, could the Minister now confirm that these invitational tenders went to companies outside of the Province of Manitoba; and could he confirm that contracts have been awarded to Marshall Steel of Toronto, in combination with Franco Steel of Hamilton, and that local producers of structural steel were not given this invitational bid?

MR. CRAIK: Mr. Speaker, I can only answer for ManFor and that was the question I took as notice that day and the answer is no.

MR. McBRIDE: Mr. Speaker, I'm assuming that the awarding of the contract is the answer the Minister has given. I want to know from the Minister whether ManFor or any of its agents for example, H.A. Simmons Consultants out of Vancouver I believe, have called for invitational tenders for a large volume of structural steel to be used at the ManFor complex in The Pas.

MR. CRAIK: Well, Mr. Speaker, I certainly can't answer for any private company that may be carrying on negotiations.

MR. SPEAKER: The Honourable Member for Rossmere.

MR. VIC SCHROEDER: Mr. Speaker, I have a question for the Minister of Mines. He has finally tabled that Letter of Intent of a year ago and now that he has tabled it, could he indicate to the House in what possible manner this document could have affected negotiations between IMC and any third parties?

MR. SPEAKER: The Honourable Minister of Energy and Mines.

MR. CRAIK: Mr. Speaker, I have answered that question so many times in this House I suppose I can only repeat it again and give the member reference back to where it has been answered before. I said repeatedly it did not appear to be in the public interest during a negotiating period where there were third parties involved, to have the Letter of Intent in circulation, Mr. Speaker, which conforms with the traditional rules of government.

MR. SCHROEDER: On Page 8 of the Memorandum of Agreement signed on May 15th, there is a reference to the existing Manitoba regulations. Can the Minister advise as to whether regulations have now been passed with respect to potash, not with respect to other mining products? He will recall that last year when I attempted to obtain a lease which had been signed back in 1974 or 1975, he instructed his Mines Department to refuse to provide that document to me. We didn't get it for several weeks because of the fact as the Minister said, at that time there were no regulations, that potash was different from other mining products. Have there now been regulations passed?

MR. CRAIK: Mr. Speaker, first of all the Mines Branch was never instructed to not provide the member with information. He was provided with what was available from the Mines Branch historically. I think he knows that very well so he doesn't have to leave that kind of nonsense on the record.

Now with regard to the regulations, this states that the volumetric tax basically will be as they were previously formulated for the regulations and take into account there will be lower grade ores involved here than what were previously anticipated and that's all it says.

MR. SPEAKER: The Honourable Member for Rossmere with a final supplementary.

MR. SCHROEDER: Thank you, Mr. Speaker. Could the Minister tell us whether the royalty rate which the new company will be required to pay for potash will be a rate which will be written into the final definitive agreement? That is, is the company going to have a rate that is by agreement as opposed to by regulation?

MR. CRAIK: The member now, Mr. Speaker, just to keep things clear, is referring to the volumetric royalty and not to the mining tax. The volumetric royalty will in all probability be built into the final agreement.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE: Mr. Speaker, I wonder can the Honourable Minister advise the House of some of the economic spinoff benefits from a project such as this for Virden, Roblin, Russell, Brandon, the number of jobs that will be involved and the dollars that will be involved?

MR. SPEAKER: The Honourable Minister of Energy and Mines.

MR. CRAIK: Mr. Speaker, I thank the member for his question. It's encouraging to get a positive question on a positive day. I can indicate to him that there may be some further estimates available. We expect the employment level by the end of 1981 will probably be about 200 in total and this will include the group that has been indicated here in terms of the design part of it.

At the peak of construction which will be some further distance down the line — as you can see the total period of construction will take about five years — the peak point in that five-year period will be up to 1,000. (Interjection)—

MR. SPEAKER: Order. Order please. If members want to carry on private conversations I suggest they do so outside this Chamber.

The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Speaker, I want to ask the Honourable Minister another question regarding the transportation of the potash. Will it be the CNR, the CPR, or would it be basically trucking from the plant to the marketplace?

MR. CRAIK: Mr. Speaker, we're providing an information package for members and I should point it out that there are information packages available if members want to get further information, which I certainly expect they will. They are available immediately and they will demonstrate to anybody who has an interest. I know there are a large number on this side that are interested and it's questionable how many across the way are interested. But it will indicate there are two spur lines to be built into the plant, one by CNR and one by the CPR as well.

It will also be found that they will require to purchase some \$4 million per year of Hydro power, Mr. Speaker, which will increase revenues to Manitoba Hydro by some \$4 million a year based on current prices. Also there will be a consumption of about \$7 million worth of natural gas. So there will have to be a natural gas supply as well as an adequate Hydro supply and two railway spur tracks into the job site. So, Mr. Speaker, there is a packet of information which will be distributed that will give the economic spinoff factors that are available.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MS. JUNE WESTBURY: Thank you, Mr. Speaker, my question is to the Minister for Energy and Mines. In welcoming tentatively the announcement he has made this morning, I wonder if the Minister can also make an announcement regarding sale of Manitoba lands for resource oil development.

MR. SPEAKER: The Honourable Minister of Energy and Mines.

MR. CRAIK: Mr. Speaker, there was information distributed yesterday with regard to the lease sales that occurred two days ago — I can't give the member all of the figures — but the total revenues to the province amounted to some \$870,000 I think, on the lease sales. The average prices were good and on one or two of them they hit record levels. They were very satisfactory; they were very

encouraging. It probably means in 1981 with other sales that will occur later on in the year, they will perhaps reach a record year.

MS. WESTBURY: Mr. Speaker, I didn't receive the information referred to but I will see if I can obtain it. Can the Minister then tell us whether the tender is going to Saskatchewan Oil, and why it is going to Saskatchewan Oil rather than to Manitoba's own Crown corporation, the Manitoba Resource Development Limited which was created for this very purpose?

MR. CRAIK: Mr. Speaker, SaskOil is one of the very many people who bid for the leases — I suppose they are in that business — and therefore have the full right to bid on the leases and Manitoba Mineral Resources has not been active in that field in recent times. During the period of the former government, they sunk 36 holes and got 36 dry ones, Mr. Speaker, and after that went out of business.

MR. SPEAKER: The Honourable Member for Fort Rouge with a final supplementary.

MS. WESTBURY: Yes, Mr. Speaker, I want to ask a question about the special tax on old oil which was introduced by the New Democratic party and which the Conservatives while in Opposition described as a confiscatory tax, I wonder why this tax has not been removed by this administration in view of their comments during the previous administration, Mr. Speaker, in view of the fact that it does not affect the Saskatchewan Oil Limited.

MR. CRAIK: First of all, Mr. Speaker, I will make sure that the Member for Fort Rouge gets a copy of the information and the statement that went out with general information yesterday. On the second part of it, at the present time we have no concerns about the level of taxation being other than very encouraging to exploration and we're satisfied that we are attracting an exhilarating level of exploration in Manitoba. Under the circumstances which in Canada are not that great when the drilling rigs can go a few miles across the American border and get world price compared to the 17.75 price that they get in Canada, Mr. Speaker, we're fortunate to have as many rigs as we have operating in Manitoba at the present time.

MR. SPEAKER: The Honourable Member for Churchill.

MR. JAY COWAN: Mr. Speaker, my question is to the Minister of the Environment. I'd ask the Minister what action he will be taking in respect to the opening of a discharge pipe from the tailings pond operating in the vicinity of the Hudson Bay Mining and Smelting Mill in Snow Lake into the creek in that area which runs into prime fishing ground? I'd ask him specifically if his department will be taking action in respect to determining what damage has been done and further to that in respect to determining ways and means of preventing this sort of action from taking place in the future.

MR. SPEAKER: The Honourable Minister of Consumer and Corporate Affairs.

HON. GARY FILMON (River Heights): Mr. Speaker, I have a full report to the moment on that matter from officials of my department and they report the result of the water which was released that had a very strong odour was as a result of decomposition of suspended material under anaerobic conditions, the sort of thing that occurs under ice cover in sewage lagoons. It does not appear in any way that water quality parameters which were established by the Clean Environment Commission are being exceeded. The odour as I say is as a result of the lake changing from anaerobic to aerobic conditions in giving off the emissions, which in accordance with the regulations set down by the Clean Environment Commission are not being exceeded.

This lake, Anderson Lake, in which HBMS were given an order to allow them to discharge their tailings is largely a slough and permission for its use was given by the Federal Minister of the Environment under The Mines Act of Canada and that is the report I have up to the moment, Mr. Speaker.

MR. COWAN: Mr. Speaker, as fishermen in the area have indicated, they have taken samples of that lake and have run their own testing in respect to the effect on fish in the area and that testing proved to them that the effluent which was flowing from the discharge pipe was in fact extremely hazardous in large concentrations to the fish. Is the Minister prepared to direct his department to test the effluent that was coming out from the discharge pipe and not the effluent which was coming out on the overflow which was intended for use normally in that situation? I would indicate to the Minister if he does that he will most likely get two different samples and I think that the second sample would show him that the discharge was in fact potentially harmful to fishing grounds in the area.

MR. FILMON: Mr. Speaker, I'm well aware of the allegations or the comments that have been made. I read the same article in the newspaper. I'm sure that the Member for Churchill did. My department has looked into the matter and will continue to take tests and samples in all areas in which there is a concern that there might be damage to the wildlife or the fish population. But as I say they have done it under test conditions that are applicable under these circumstances not, as I understand it, by putting fish in a small sample of water and they did die. I'm sure that the member knows that if you were to take a sample of water from Lake Winnipeg and put some fish in it for a period of time they'd probably die too. It depends on the conditions under the approved testing conditions, under the type of testing conditions that should apply to this type of situation and we are not finding there is a concern for the fish life in those lakes.

MR. SPEAKER: The Honourable Member for Churchill with a final supplementary.

MR. COWAN: Mr. Speaker, not only did I read the article but I talked to the fishermen involved in the incident and they have informed me they are very concerned about the way in which the Clean Environment Commission officials did their testing in the area, in that they tested from the overflow pipe and not from the discharge pipe.

I would ask the Minister firstly, if he's prepared to table the report which was provided to him by his departmental officials so that we in fact can determine the ways and means in which that testing was undertaken; and secondly, if the Minister is prepared to put on the record his approval of the opening of the discharge pipe in respect to that particular overflow area from, what I understand to be, last Thursday to the Tuesday of this week for a period of several days. Is he suggesting that this is a proper way in which to lower the level of the water in that particular lake area or that particular tailings area?

MR. FILMON: Mr. Speaker, I repeat that my department is always concerned to ensure the limits that have been set by the Clean Environment Commission have not been exceeded in any way; that my department will continue to take tests of samples in any and all locations — those recommended by the Member for Churchill and any of those that may be requested by people in the area — they're prepared to take those samples and test them to ensure both for their own satisfaction and the satisfaction of those who bring it to their attention that there is no danger, or hazard, or concern about fish life in the area.

Finally, Mr. Speaker, our department mandate is to evaluate and make sure that nothing improper is being done in terms of exceeding of levels of emissions that are provided under orders and they're satisfied at the moment that this has not occurred. They will continue to test to ensure that it doesn't occur in the future.

MR. SPEAKER: The Honourable Minister of Highways.

MR. DON ORCHARD (Pembina): Thank you, Mr. Speaker. Yesterday the Member for Fort Rouge posed a question about some long distance toll charge losses that were of concern to the Manitoba Telephone System and I've since obtained that information for her. I'm advised that the concern she raised was in regard to the improper or fraudulent use of third number billings on long distance calls placed in the coin operated telephone system throughout the province. Apparently this misuse of third number billings on long distance originating from coin phones, does cost the system in the neighbourhood of approximately \$20,000 per month and they are instituting certain procedures in which they hope they will be able to control this fraudulent use and prevent it from causing those kinds of dollar losses to the Manitoba Telephone System toll revenues. I'll provide the Member for Fort Rouge with the press release that was put out by the Manitoba Telephone System explaining the problem and their corrective action.

MS. WESTBURY: Thank you, Mr. Speaker. To the Minister responsible for the Manitoba Telephone System, I also asked if the experience has been that there is a fraud being perpetrated to any great degree through the use of the credit card system and was the Minister able to obtain any information on that?

MR. ORCHARD: Yes, Mr. Speaker. As I indicated to the Member for Fort Rouge yesterday when her

question was directed about misuse of the telephone credit card system, I indicated to her at that time that I was not aware of any major problem with the specific use of the telephone credit cards. I can confirm that what I indicated to her yesterday is indeed factual. The system estimates that the misuse of the credit card system, the credit card long distance billing system costs on an annual basis they estimate some \$3,000 in loss. When you put that into perspective of the number of credit cards that are in use by various individuals throughout the province and the volume of billing that is done by those long distance credit card holders, that a \$3,000 loss is not considered significant and is not a problem that the Telephone System considers needs any action.

The problem that was referred to yesterday, as I've indicated in my first reply, of the estimated \$20,000 per month loss originates from the use of the coin pay telephone system throughout the province and the fraudulent use of third number billings and that is the matter that is being investigated at this time.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. LEONARD S. EVANS: Thank you, Mr. Speaker. First of all, I would like to ask the Minister of Energy about a reference he made on Page 4 where he says the taxation regime of this government has contributed to a strong resurgence of mining in the province. How does he explain to the House that statement when the statistics we have on the output of the mining industry show that it has declined by 6.6 percent since 1977? Therefore, my question is how can the Minister explain that statement when the figures show clearly that the real output in mining in Manitoba has declined since 1977?

MR. SPEAKER: The Honourable Minister of Energy and Mines.

MR. CRAIK: Mr. Speaker, the statement refers to mining activity and to exploration. The production that you get from a mine follows the development of the mine and that following on the heels of the exploration. The statement here refers specifically to mining activity and to exploration.

MR. EVANS: Mr. Speaker, I would suggest that statement the way its put is a bit misleading. I would like to ask the Minister what are the chances of the government meeting the June 30th estimated date for signing of a formal agreement because the statement by the Minister, as I read it, is that we have now a Memorandum of Agreement to proceed with the detailed development plan and that further studies will be made but that we don't have with us a final statement of agreement for a partnership. So what I'd like to know, Mr. Speaker, because this has gone on for some time, what are the chances really of a formal agreement of partnership and real activity to be signed on or about June 30th?

MR. CRAIK: I hope the member is not confusing the development plan with the final agreement because the development plan will not be completed until sometime after the final agreement. But in the meantime the final agreement will be produced as rapidly as the lawyers can produce it. I'm told if you

give lawyers one month they'll take two and if you give them two they'll take four so I hope that we're finished by the end of June.

MR. SPEAKER: The Honourable Member for Brandon East with a final supplementary.

MR. EVANS: Thank you, Mr. Speaker. I note in the statement also, Mr. Speaker, that reference is made to the company being attracted to Manitoba because of good potash deposits, stable power rates and a secure energy supply so there's no question that the availability of hydro in Manitoba is a key factor. So my question relates therefore, Mr. Speaker, to the cost of power to this potash company. Is there an intention or any thought on the part of the government or on the part of IMC to propose to the government of Manitoba that they buy a share of Manitoba Hydro resources along the Nelson River as has been proposed by the Alcan Company Limited?

MR. CRAIK: Mr. Speaker, the scale of power consumption, as the member I'm sure knows, is just not comparable with the Alcan project. The Alcan project requires a power supply of some 400 megawatts which at the power factor they require it will take pretty well half of one of the large plants on the Nelson River. The power requirements here, although significant, are small in comparison. It's not conceivable and I think the member knows that, that a scale of consumption at that level would in any way justify anyone wanting to, first of all, own an interest in a power station; and secondly, I think he recognizes that it would not be considered in either event by the government or by Manitoba Hydro.

Mr. Speaker, as I indicated earlier in the question period, the energy consumption based on 1981 prices indicates about \$7 million of natural gas and about \$4 million of hydro power consumption.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. HARVEY BOSTROM: Thank you, Mr. Speaker. In view of the fact that there are so many unanswered questions with respect to this Memorandum of Agreement between the government and the International Minerals and Chemicals Corporation, I wonder if the Minister would agree to call a meeting of legislators, much as we had the opportunity to do with the Alcan situation, and have the opportunity for legislators to question the Minister and the principles of this company with respect to the details of this Memorandum of Agreement and the actual plans and programs that will be coming into place over the next several months.

MR. CRAIK: Mr. Speaker, we have not followed exactly the same procedure as we did with Alcan. This one tends to be a little more straightforward than the Alcan one. The Alcan agreement, of course, had some different facets to it that this one does not contain. However, if the members of the House do want us to arrange something of that order, we'll certainly take it under consideration. It will not be possible to do it today, though — it hasn't been arranged and it is not programmed for today — but if it would be helpful we'll certainly take it under consideration.

MR. BOSTROM: Mr. Speaker, I certainly believe it would be helpful. It's really inadequate for us to question the Minister during the question period; it just does not give proper time for examination of this agreement and all the details thereto. So on behalf of the Opposition, I would request the Minister to arrange such a meeting so we may have the opportunity to question him and the principals of the company in detail with respect to this agreement.

INTRODUCTION OF GUESTS

MR. SPEAKER: Order please. The time for question period having expired, at this time I would like to introduce to the honourable members 35 students of Grades 5 to 9 standing from LaVerendrye School under the direction of Mr. Dave Pearson. This school is in the constituency of the Honourable Member for Emerson.

We have 15 students of Grades 7 and 8 standing from the Kronstal School under the direction of Mr. Klassen. This school is in the constituency of the Honourable Member for Rhineland.

We have 70 students from West Park School, Grade 6 standing, under the direction of Mr. Ken Doell and this is also from the constituency of the Honourable Member for Rhineland.

On behalf of all the honourable members, we welcome you here this morning.

The Honourable Leader of the Opposition.

MATTER OF URGENCY

MR. PAWLEY: Mr. Speaker, I beg to move, seconded by the Honourable Member for St. George, that under Rule 27 the ordinary Business of the House be set aside to discuss the severe economic situation caused by record high interest rates and by the worst consumer price inflation in more than five years.

MR. SPEAKER: The Honourable Leader of the Opposition has five minutes to explain the degree of urgency.

MR. PAWLEY: Mr. Speaker, the urgency is exemplified by the events of the past 24 hours, events in which we have been informed of the highest consumer price index in the Province of Manitoba in the past five years; the highest interest rates established by way of the announcements yesterday that indeed Manitoba or Canada have been confronted with.

Mr. Speaker, we will have no other opportunity to properly debate the economic situation in which we are confronted with. We have dealt with the Budget, the Estimates, the Throne Speech, there is no other appropriate opportunity. Mr. Speaker, indeed if it is said it is not a matter of urgency, the Minister of Finance this very morning on CBC Information Radio acknowledged the urgency of the situation facing us and he himself in response to an interviewer, admitted that the present situation was one of urgency.

Of course, Mr. Speaker, that is also typified by the position which has been assumed by the two opposition parties in Ottawa and their continued efforts to bring to the attention of the Federal Government what is happening pertaining to rising

interest rates and rising consumer price index throughout Canada and we say indeed there are steps, there are approaches that a Provincial Government can undertake in this respect. We are prepared to establish those steps during a debate and during discussion that would follow, Mr. Speaker, a true urgency.

Can anyone suggest that this is not a matter of urgency when indeed day by day more and more Manitoba businessmen are indeed confronted with bankruptcies, confronted with lack of expansion, confronted with uncertainty as they find it increasingly difficult in financing their inventories? Or is it not a matter of urgency when homeowners, Mr. Speaker, find that their mortgages are coming up for renewal at the end of this month? That indeed the additional monthly payment they will be faced with is \$200-250 a month more than it was during the month of April in the average cases; indeed that may result in many Manitoba homeowners losing their homes due to foreclosure or simply having to walk away from their homes; or insofar as the farmers are concerned, Mr. Speaker, especially young farmers confronted with increasing costs and financing their operating costs. With the interest rates that the young farmers are now confronted with as a result of the announcement of yesterday and the week before, there is unfortunately no hope for so many of the young Manitoba farmers in the province today.

So for the businessmen and women of this province, for the homeowners of this province, for the farmers and for so many of our elderly — the elderly female population that probably is confronted more than any — with the impact of rising consumer prices, there is urgency. We have no other opportunity during the balance of this session to properly discuss this matter. It cannot be suggested there are not measures that can be taken provincially. It cannot be said we should not be making representations on specific program announcements that should be made on the part of Ottawa. It is urgent, it is necessary that this Chamber now debate the question of the economic consequences to this province, of the events that have been developing within the past several days.

MR. SPEAKER: The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, the rules clearly provide that you shall rule whether the question is in order and of urgent public importance and Beauchesne clearly in Citation 287, points out that urgency within this rule does not apply to the matter itself which I grant is a serious matter, but means "urgency of debate when the ordinary opportunities provided by the Rules of the House do not permit the subject to be brought on early enough and public interest demands that discussion take place immediately".

The rules provide that the motion shall not anticipate a matter that has previously been appointed for consideration by the House, Mr. Speaker. We've not yet completed the Estimates of Executive Council, the Salary of the First Minister and the day before yesterday the Member for Brandon East himself, Mr. Speaker, was talking at length about the economic conditions in Manitoba, interest rates, etc. He was using that opportunity to

speak to it on Wednesday and it is not yet completed. In addition, Mr. Speaker, we've not completed Main Supply; that bill will be very shortly before this House.

In addition, Mr. Speaker, the rule Citation 287, rules. "That a matter must deal with a matter within the administrative competence of the government". Mr. Speaker, the matters referred to in the motion, record high interest rates, consumer price inflation, I suggest to you, Mr. Speaker, are matters as has been pointed out by the Minister of Finance that are particularly within the administrative competence of the Federal Government and the responsibility of the Federal Government although the Premier of this province has for a number of months, requested the Prime Minister to call a conference with the Premiers of the provinces to attempt to deal with these serious economic problems.

But, Mr. Speaker, there are matters within which this subject can be debated in the Estimates of Executive Council, in the Main Supply Bill and the Member for Brandon East himself discussed these matters on Wednesday and they can be raised again as soon as this matter is called.

MR. SPEAKER: I've listened to the arguments put forward by the Honourable Leader of the Opposition and also the argument put forward by the Honourable Government House Leader. At the same time I have reviewed the Order Paper and I believe there is ample opportunity on the subjects that are presently on the Order Paper for this matter to be discussed, so I would have to rule it is not a matter of urgent public importance in that manner.

MR. SPEAKER: The Honourable Member for Rock Lake.

COMMITTEE CHANGES

MR. HENRY J. EINARSON: Mr. Speaker, I have some changes on Law Amendments to make: Mr. Orchard for Mr. Downey; Mr. MacMaster for Mr. Jorgenson; Mr. Cosens for Mr. Hyde.

MR. SPEAKER: Orders of the Day. The Honourable Government House Leader.

ORDERS OF THE DAY

MR. MERCIER: Mr. Speaker, I'd firstly like to indicate that I will call the Committee on Statutory Orders and Regulations to which committee the professional bills that were passed yesterday were referred, for Tuesday evening, Mr. Speaker, at 8 o'clock in the evening.

Mr. Speaker, would you call Adjourned Debate on Second Reading on Bill No. 34?

ADJOURNED DEBATE ON SECOND READING BILL NO. 34 — AN ACT TO AMEND THE CONSUMER PROTECTION ACT

MR. SPEAKER: Bill No. 34, standing in the name of the Honourable Member for Inkster.

MR. GREEN: Yes, Mr. Speaker, I adjourned this bill for my Progressive colleague, the Member for Burrows.

MR. SPEAKER: The Honourable Member for Burrows.

MR. BEN HANUSCHAK: Thank you, Mr. Speaker. I just have a couple of comments to make with respect to this bill. I appreciate the need for a number of the changes to bring within the jurisdiction of the Act loans of moneys which are made on many credit card arrangements. But I would hope that when we get to Law Amendments Committee that the Honourable Minister and his staff will take a closer look at the exemptions from The Consumer Protection Act that are extended to goods or services intended to be used by the purchaser for the primary purpose of carrying on a business. Now in one related section it exempts goods used in the course of carrying on a business and in another it speaks of a primary purpose of carrying on a business. I'm thinking, Mr. Speaker, of small businessmen that may operate out of their home and they may be using a variety of typewriter, adding machine, telephone answering machine, what have you which is used both for the business operation and for the individual's personal use, for the family's personal use. The way this sections reads it would seem that, by reason of the fact, that those items are being used in the conduct of a business then The Consumer Protection Act is no longer there in the event of a warranty or whatever protection a purchaser of such an item may wish to obtain.

So I would hope that in Law Amendments Committee the Honourable Minister will be able to clarify that point.

QUESTION put, MOTION carried.

MR. SPEAKER: The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, would you call Bill No. 52.

BILL NO. 52 — THE INSURANCE ACT

MR. SPEAKER: Bill No. 52 — An Act to amend The Insurance Act, standing in the name of the Honourable Member for Inkster.

The Honourable Member for Inkster.

MR. GREEN: Yes, Mr. Speaker, I'm prepared to let this bill go to Committee.

QUESTION put, MOTION carried.

MR. MERCIER: Mr. Speaker, would you call Bill No. 39, then Bill No. 56.

MR. SPEAKER: Bill No. 39, standing in the name of the Honourable Member for Rupertsland.

MR. BOSTROM: Both bills stand, Mr. Speaker.

MR. SPEAKER: Is that agreed? (Agreed).

MR. MERCIER: Mr. Speaker, would you call Bill No. 14 on Page 7.

BILL NO. 14 — THE MEDICAL ACT

MR. SPEAKER: Bill No. 14, standing in the name of the Honourable Member for Gladstone.

MR. MERCIER: Mr. Speaker, the Member for Gladstone adjourned that matter for me, Mr. Speaker, and I have no comments to add further to the comments to the Minister of Health the other day.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Inkster will be closing debate.

The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, we heard the other day from the Minister of Health and I was very sorry that I wasn't able to answer the Minister of Health just after he made his remarks because I would like to have dealt with some of the implications of those remarks as they effect the legislative responsibility of this Assembly.

Mr. Speaker, a member of the Legislature introduced three questions affecting the College of Physicians and Surgeons. Let us understand, Mr. Speaker, that the College of Physicians and Surgeons have been given a very special status in the Province of Manitoba relative to the governing of the practitioners who are engaged in medical practice. It is not everybody that has a statute which says that they can, with a stroke of the pen, Mr. Speaker, wipe out a person's reputation and wipe out his livelihood; it is not everybody, Mr. Speaker, who has the right to compel a person to pay a fine of \$15,000 because they have made a fining against him. The reasons why the College of Physicians and Surgeons have this power, Mr. Speaker, is that the practice of medicine has been one in which the public feels that there is tremendous importance and, because they feel that importance, they have provided a statute whereby the people engaged in that practice, which is vital to the health of the citizens of our society, will have the right to govern their own profession and discipline their own profession.

Mr. Speaker, what the Minister of Health seems to forget is that this statute is not a statute of the College of Physicians and Surgeons; it's a statute passed by the elected representatives of the people of the Province of Manitoba. The people who pass it, Mr. Speaker, have to make sure that what is conferred on the medical profession, in terms of statutory authority, is not more than is necessary for them to accomplish those objectives. Mr. Speaker, this statute sets forth three basic propositions and they were presented by a person who was elected by the public to guard the public interest — just one but nevertheless one. The Minister got up and answered that the college cannot live with these amendments. Mr. Speaker, what he said was that the College of Physicians and Surgeons doesn't want these things and therefore he will not enact them. Mr. Speaker, I will certainly agree that the College should have an input in whether or not a particular piece of legislation is going to affect them adversely or is not going to affect them adversely. But that wasn't really the Minister's position. The Minister got up, Mr. Speaker, and said that the College can't live with these things.

Let us look at the things, Mr. Speaker, because I think that he made a very dangerous statement. He, in fact, told the elected representatives of the people that if the College of Physicians and Surgeons

doesn't want this statute that the elected representatives of the people should pack up their files and walk away. The College is the one that he is going to listen to. I gave, Mr. Speaker, cogent reasons as to why the public should consider it and at very least, Mr. Speaker, the Minister should have let this go to committee so that the College could come and tell us what was wrong. I am still going to ask members of this House, because it's a Private Bill, to let it go to committee and let the College, Mr. Speaker, answer these questions.

The first question was that the College will not, Mr. Speaker, discipline somebody for something that has nothing to do with medical practice; that if something is alleged against him that is not medical practice that the College will not use that against him unless, Mr. Speaker, he has been convicted of it.

Now let's take a specific example. The College of Physicians and Surgeons, to my knowledge, suspended a doctor for what they said, Mr. Speaker, was billing two sources; billing the Workers' Compensation and billing the MMA.

A MEMBER: Double billing.

MR. GREEN: Right, double billing. Mr. Speaker, that has nothing to do you will agree with the treatment that the doctor gave that patient. The College of Physicians and Surgeons is not expert in knowing what evidence should be applicable when a person is charged with double billing. Indeed, Mr. Speaker, the fact is that double billing would be a criminal offence; it would be obtaining money by false pretenses. All this says, Mr. Speaker, is that before the College disciplines anybody for obtaining money by false pretenses they shall have a court to say so because they are not competent, Mr. Speaker, and I know they are not competent, because I have had first-hand knowledge of viewing their incompetence to deal with matters that have nothing to do with medical practice. If a man, Mr. Speaker, wants to be destroyed by the College for, let us assume, drunken driving — let us assume that the College feels that a doctor should not practise if he engages in drunken driving and there may be some people on the College who say that. Is it not reasonable that before they discipline that person they have a conviction for drunken driving? Because they, otherwise, Mr. Speaker, are going to go into a trial of whether or not a doctor has been engaged in drunken driving. They are incompetent, Mr. Speaker, to conduct such a trial.

Mr. Speaker, all this bill says is that they will not discipline a doctor for something which has nothing to do with medicine; that if a doctor is practising a religion that they disapprove of — Mr. Speaker, it's not that farfetched, no it's not that farfetched.

MR. DESJARDINS: These are communists.

MR. GREEN: Yes, my friend, the Member for St. Boniface raises one. In British Columbia they disbarred or there was a big dispute and I think it went as far as disbarring a member of the Law Society because he is a communist.

What if the doctors decided that they don't want communists practising medicine? Should they have a right to discipline him because he's a communist? No.

So this Act says that no inquiries shall be held into, no evidence shall be admitted to the conduct of a member that is not directly related to the provision of medical services or that relates to an offence for which a person can be punished, unless the member has been convicted of the offence.

The Medical Society has told the Minister they can't live with that. Mr. Speaker, I would think that the members of the Legislature would be more worried about what I am now saying, by virtue of the Minister's remarks, rather than less worried. Do the members of this House intend to confer statutory authority to the medical profession to conduct an inquiry into a member that has nothing to do with the delivery of medical services because they have done it, Mr. Speaker. Do the members of the public sent here, who the Minister says he won't listen to because the College won't hear him, do they intend that a member of the College will be disciplined by the College for committing a criminal offence even before he has been convicted of the offence? Surely not. Surely the least we could do is go to the Committee and say this bill has been presented; what do you have to say about it? Mr. Speaker, it is almost a corrupt procedure for the Minister to go to the medical profession and say, you tell me whether you want this bill or not; come back to the House, say don't pass the bill because the College says so. The normal procedure would be for the Minister to say I see nothing in principle wrong with this bill, let it go to committee. Then the college will not talk to me, they will talk to the members of the public.

Now, Mr. Speaker, am I asking for something that is unusual? Because I think that you should be frightened silly by the College saying that they want to conduct inquiries into things that are not related to medicine and wanting to discipline people for having committed a criminal offence before they have been convicted of the offence.

The second one, Mr. Speaker, the second principle which the college doesn't want because they say it's not necessary — and I say to you with the greatest of respect it is necessary. They have the power to conduct an inquiry, Mr. Speaker, and they have the power to discipline. There is an appeal procedure following that inquiry and following that discipline. In my submission the way the Act reads, and even the Minister says that it could be read the way I am suggesting it reads, that the appeal only relates to an appeal from the findings of the inquiry or the order made on the inquiry. But, Mr. Speaker, they have a different power.

Without conducting an inquiry they have the right to suspend a doctor pending an inquiry and all the Act says, all this bill says, it doesn't say they won't have the right to do that because they made need it. They may have a doctor who is going to do things that will result in harm to his patient and they can't conduct the inquiry until sometime later so they have a power to suspend and what the bill says is if they do that — and we're not taking away the right to do that — if they do that the doctor has a right to go to the court and if the court is satisfied that nobody's health is going to be involved, they can reverse this suspension.

Now if the Minister is right that it's already there and I am wrong and it is not already there, what harm is there in clarifying because he said it could

be read that way and that's the way I have read it, Mr. Speaker. When I spoke to the college they had no objection to this — and I too spoke to the college — and there was no objection to this; that a person who is suspended before a hearing should have a right to go to the judge and get his suspension lifted and the member says the college can't live with that — the Minister says it's not necessary — then if it's not necessary there is no problem in clarifying it because I suggest to the members that it's not clear from the Act as it presently reads.

Mr. Speaker, the last one and in this one it's the area in which most members should be concerned because the college has said that when they are dealing with a medical practice, even if three medical practitioners who are teachers of doctors in colleges that we recognize come in and say that is a perfectly acceptable practice, then they could still throw out that doctor.

Now listen to what is being said, Mr. Speaker. I am a practitioner. I don't practice in the same way as other doctors. I don't prescribe as many pills, I don't do as much surgery. I believe there are better ways of dealing with my patients and I try to deal with them in that way. The orthodox people say you're not giving proper treatment; you're not doing what you should be doing. My clients are happy but the profession is not happy. So they call me before the college. They detail the procedure. I bring three witnesses who are teachers at medical schools which our college recognize and they say, Mr. Green is practising acceptable medicine and the college says, we pay no attention to that; we throw you out of the profession. We suspend you. We fine you. We kill you. —(Interjection)— That's right because you're not registered; you're not practising according to some registered formula.

Well, Mr. Speaker, the college can't live with that. Can the members of this House live with that? Because that's the criteria. Can the people of Manitoba live with that? Can they live with that, Mr. Speaker, to the extent they will at least send the bill to committee and let the college come in and tell us what their problems are because what they are saying is, they can't live with it to the extent that it will bear public scrutiny. Mr. Speaker, that is the most dangerous insidious type of representation that has been made to this Legislature relative to a piece of legislation, that I have heard in this House; that the College of Physicians and Surgeons cannot live with that.

Mr. Speaker, the Minister should not be coming in here speaking on behalf of the College of Physicians and Surgeons. He should come in here speaking on behalf of the citizens of the Province of Manitoba and one citizen has put — not one citizen, an elected representative — has put forward a bill which he outlines principles to, which he can convince members on sound principle and if the college wants to object to them let the college come in and object to them, but the Minister of Health coming in and saying, I here represent the college, the college doesn't like this.

Mr. Speaker, I urge honourable members there is no harm. You can defeat it on third reading. You can hear from the college and see that perhaps what I am saying is exaggerated, perhaps I am wrong. Perhaps the college will convince you that three

teachers from recognized schools saying that somebody is doing a good job should not result in that person being able to continue to practise because his peers say that that's no good. Mr. Speaker, the peers in the medical profession for years called people quacks that subsequently showed they are practising better medicine than them — acupuncture was quackery — now it's a great thing.

Mr. Speaker, there are numerous things which have required innovation and the rejection of this bill is the enshrinement of orthodoxy, not for the benefit of the people of the Province of Manitoba but for the protection of a particular status group in the medical profession. If I'm wrong, Mr. Speaker, let us go to committee; let those doctors come in and say that these things are unacceptable; that if we want to suspend somebody for drunken driving we can do it and we don't have to wait until he's convicted of drunken driving. If we want to suspend somebody because he overcharged, we can do it and we don't have to have evidence that he overcharged; we don't have to have somebody saying that he overcharged. We who are doctors, pretending to be able to judge people on the basis of whether they perform operations correctly are now experts — (Interjection)— yes, in what are proper accounting procedures and obtaining moneys by false pretenses.

Mr. Speaker, I ask every member of this House to reject that kind of proposition, to reject what the Minister has done in that he has come in here, got the information which we should get from the college when they appear before committee; not when we are debating a bill on principle. If the Minister wants us to accept that information then he should send it to committee — and we should hear it not from the Minister who represents the public but hear it from the college — he should not be the spokesman for the college in this House.

MR. SPEAKER: Are you ready for the question? All those in favour of the motion please say aye. Those opposed please say nay. In my opinion the nays have it.

MR. GREEN: Yeas and Nays, Mr. Speaker. I will stand you up.

MR. SPEAKER: Has the honourable member support? Call in the members.

INTRODUCTION OF GUESTS

MR. SPEAKER: While we're waiting, if I may so bold as to introduce 26 students of Grade 9 standing from Morden Collegiate under the direction of Mr. John Einarson. This school is in the Constituency of the Honourable Minister of Highways.

We welcome you here this morning.

Order please. The question before the House is second reading of Bill No. 14.

A STANDING VOTE was taken the result being as follows:

YEAS

Messrs. Adam, Bostrom, Boyce, Desjardins, Doern, Evans, Fox, Green, Hanuschak, Jenkins,

Malinowski, Miller, Pawley, Schroeder, Uruski, Uskiw, Walding.

NAYS

Messrs. Anderson, Banman, Blake, Brown, Cosens, Craik, Downey, Driedger, Einarson, Enns, Ferguson, Filmon, Galbraith, Gourlay, Hyde, Jorgenson, Kovnats, MacMaster, McGregor, McKenzie, Mercier, Orchard, Mrs. Price, Messrs. Ransom, Steen.

MR. CLERK, Jack Reeves: Yeas 17, Nays 25.

MR. SPEAKER: I declare the motion lost.
The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, would you call Bill No. 17.

MR. SPEAKER: Bill No. 17, standing in the name of the Honourable Member for Winnipeg Centre.

MR. BOYCE: Mr. Speaker, in light of what has happened to me I'll have this matter stand until Tuesday.

MR. SPEAKER: Is that agreed? (Agreed)

MR. MERCIER: Mr. Speaker, would you call Bill No. 37.

MR. SPEAKER: Bill No. 37. The Honourable Member for Logan.

BILL NO. 37 — RURAL MUNICIPALITY OF R.M. OF MONTCALM

MR. WILLIAM JENKINS: Mr. Speaker, I understand at this time that the Honourable Minister for Government Services wishes to speak and then I will turn the debate over. But there was some clearance that we wished and the Minister is going to make this statement on behalf of the Minister of Municipal Affairs.

MR. SPEAKER: The Honourable Minister of Government Services.

HON. WARNER H. JORGENSON (Morris): Mr. Speaker, there were a few questions raised during the course of debate on this particular bill and I think an undertaking was given to respond to those questions before the bill received second reading.

It was on Tuesday, March 31st that the Member for St. Johns posed questions with respect to the bill claiming that it was in violation of the provisions of The Municipal Act. The material, Mr. Speaker, has been reviewed and were advised that the council wish, that is the Municipal Council of Montcalm, wish to dispose of the property in a manner not in accordance with the principle of The Municipal Act because an individual some 20 or 30 years ago built a house on what was assumed to be his lot. I think that honourable members who lived in rural areas will know that from time to time there are mistakes in the boundary lines and this I presume was what happened in this particular instance.

It turned out however, that the lot was on a municipal road allowance which had not been

opened at that time. If the rural municipality were to follow the strict provisions of The Municipal Act they would, following the formal closing of the road, have to offer the property to the adjacent landowners. However, council feels this would create an unmanageable situation in the community and it would prefer to close the road allowance and offer the land for sale to the widow who has lived in the house for some years — and I'm sure members of this House would not want to deprive a widow of her home.

With respect to the Member for St. Johns' question on the price of the land. This is a normal council transaction and we believe that they, the municipality, are in the best position to determine the value of that particular piece of property. So as far as the Department of Municipal Affairs is concerned they have no concerns with respect to the proposed bill and to the actions of the council. I might add, Mr. Speaker, that normal municipal taxes have been paid for some 20 to 30 years on this particular piece of property which would, if the bill did not pass, pose a further problem for the Municipal Council so I recommend its adoption to the House.

MR. SPEAKER: The Honourable Member for Logan.

MR. JENKINS: Yes, Mr. Speaker, I have no particular desire to withhold any further on this bill but I understand my colleague, the Member for St. Vital, wants to say a few words.

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

MR. D. JAMES WALDING: Thank you, Mr. Speaker, we've been waiting for a few weeks to hear from the government on this matter. We've heard this morning from the Minister giving the department's view on this particular matter.

The questions arose at the time of the introduction of the bill by the Member for Rhineland and our understanding of the bill led to the questions we raised on the matter, Mr. Speaker. It would appear that the municipality had expropriated the land some 20 years ago at prevailing land values and was prepared to sell what would seem to be quite valuable land to former owners of that land for the sum of \$1, which raised with us the question of the value of the land and why the municipality was prepared to sell valuable building lots — I believe there were three of them — for the sum of \$1 in order to allow the purchasers to sell two of those building lots at a considerable capital gain.

Mr. Speaker, we've made a number of inquiries about the matter since then. It appears that what happened was a mix-up at the time of the expropriation proceedings going through. The expropriations, and there were two of them, were done at the same time, one by the local school board and one by the municipality, for neighbouring pieces of land; one in order to build a school and that was by the school board; one by the municipality in order to put in a road. This was done at the same time that a resurveying was done of the town itself and that was a very complex arrangement. There were a number of solicitors involved and I've been assured by the former consulting solicitor for the municipality, that another

solicitor was charged with the responsibility of registering that particular parcel of land that was owned by these two sisters in their own name and for their own use. This was a parcel that was to be sort of excluded from the larger area, that was to be expropriated.

Now it appears that the solicitor who was charged with that responsibility was getting on in years and had a very considerable work load and for some reason or another, failed to carry out this task. The land was not in fact, retained in the ownership and the title to that land was not retained in the ownership of the residents of that particular plot. That was not realized at the time. Nobody found out about it over the intervening years. The two sisters involved continued to pay their taxes over the 20 years. I understand the municipality itself was under the impression that this title retention was in fact retained under the names of the two sisters involved. The matter was discovered some little time ago, a matter of months or a year ago, that an error had occurred and instead of this particular parcel remaining in private hands, it was involved in the expropriation of land. I was further informed that no compensation was paid on that expropriation of those particular three lots.

So what the intention of the council was to do, was to right something that was done in error some 20 years ago. They were prevented from doing so on a simple basis by the requirements of The Municipal Act which required them first to offer the land to the adjacent owner, which of course was not the intent. Having ascertained the full facts of the matter, at least according to our understanding, Mr. Speaker, we are not prepared to hold this matter up any further. We're prepared to see it go to committee and to enable the Municipality of Montcalm to correct an error made by a solicitor some 20 years ago.

MR. SPEAKER: The Honourable Member for Rhineland will be closing debate.

The Honourable Member for Winnipeg Centre.

MR. BOYCE: Yes, Mr. Speaker, if I may just before the member closes debate, I take this opportunity to announce that I've been advised that Vivian Osachuk has been one of two Manitobans who has been accepted at Lester Pearson University.

MR. SPEAKER: The Honourable Member for Rhineland will be closing debate.

MR. BROWN: Mr. Speaker, the Minister of Government Services and the Member for St. Vital have explained this situation very well. All I would like to say that if they need any further clarification on this bill when it gets to committee, I'm sure we can see that the lawyer for the Municipality of Montcalm will be present.

QUESTION put, MOTION carried.

MR. SPEAKER: The Honourable Member for Logan.

COMMITTEE CHANGES

MR. JENKINS: Mr. Speaker, I'd like to make some changes on a committee, the Committee of Statutory

Orders and Regulations. I'd like to substitute the following three members in place of the others: The Honourable Member for St. Johns, The Honourable Member for St. George, The Honourable Member for St. Vital to be substituted in place of The Honourable Member for St. Boniface, The Honourable Member for Transcona, The Honourable Member for Rossmere.

MR. SPEAKER: The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, I move, seconded by the Honourable Minister of Municipal Affairs that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the supply to be granted to Her Majesty. We'll sit in the House, Mr. Speaker. The Honourable Minister of Government Services will complete the Estimates of Executive Council.

MOTION presented and carried and the House resolved itself into a Committee to consider the Estimates of Executive Council with the Honourable Member for Radisson in the Chair.

COMMITTEE OF SUPPLY SUPPLY — EXECUTIVE COUNCIL

MR. CHAIRMAN, Abe Kovnats (Radisson): This Committee will come to order. I would direct the honourable members' attention to Page 7 of the Main Estimates, Department Executive Council, Resolution No. 5, Item 1. Administration, (a) Premier and President of the Council's Salary — pass. The Honourable Member for Burrows.

MR. HANUSCHAK: Yes, Mr. Chairman, I just wish to make a few comments on the Executive Council appropriation. You will recall, a few days ago we were presented with a publication titled, "1979 Manitoba Flood Recovery and Protection." I think, Mr. Chairman, that it's appropriate to deal with this at this time because it makes reference to a number of Members of Executive Council; it makes reference to the First Minister; it makes reference to the Minister of Government Services, the present one, the previous one, the Minister of Finance and others. You will recall, Mr. Chairman, when we were dealing with the Department of Government Services, in particular the Information Services Branch, the position the Progressive Party took was that certainly — although my leader probably would abolish the Information Services Branch entirely, but be that as it may — and this point was made most definitely, that Information Services ought not be used for propaganda purposes.

Mr. Chairman, this publication is evidence of the most blatant form of propaganda put out by government. I think all Members of Cabinet have to take responsibility for it. It's true that it was published in appreciation of the contribution by the honourable gentlemen I've mentioned, but it's nothing more than political propaganda. Rather subtle. the Conservative Party colours, and then nothing more than 24 pages of pictures, pictures only on one side; you know, this cost-conscious government could have printed the pictures on both

sides and used only half the paper they did. Instead of using 24 pages they could have printed it on 12. Causes of the flood (Interjection) I'm surprised they didn't use that, that sinning causes floods.

(Interjection)— Well, for example, precipitation causes floods, yes. If some members treat that lightly, I want them to know this was researched because there's a footnote, reference: Mr. Mark Hacksley, Atmospheric Environment Services of Environment Canada, as provided in the report The Red River Flood of 1979. So this wasn't just a statement made by somebody off the top of his head; this was research. Then they came to the conclusion that above normal precipitation causes floods and there are pictures in case he doesn't — (Interjection)— well, now you'd have to challenge Mr. Hacksley. Now on the same page there's a picture of a heavy accumulation of snowfall — it's a very pretty winter scene in case you didn't know what it is — the caption beneath tells that this is a heavy accumulation of snowfall. Then on the next page there is a photograph of a combine in a flooded field and apparently this combine doesn't have a header; there's nothing to pick up the grain with, and the caption beneath it reads "Efforts to save grain became extremely difficult." Now surely no farmer in his right mind would go out in that field to get the combine which the picture seems to suggest. (Interjection)— Now the Honourable Minister of Highway is saying that . . .

MR. ORCHARD: He's actually combining rice.

MR. HANUSCHAK: He is combining rice — (Interjection)— and so the thing goes. Then there's a photograph here also of the Honourable Minister of — about that time I believe was Minister without Portfolio, the Honourable Member for Morris or he may have been Minister of Government Services, I'm not sure. There's a photograph of him and it's a very small picture though. I am surprised why they chose to put in such a small picture. Surely, two Ministers on one page would warrant about half a page. You know, it's stuff like this. In case the Honourable Member for Minnedosa doesn't know what this picture is, the caption beneath says it's a flooded farmstead. How did the photogapher know? There's a red barn behind the house over there, so surely it's not an urban home. Well, it's an insult to the reader, Mr. Chairman, showing a collapsed building and a caption beneath, damaged farm building; and so it goes.

Now, Mr. Chairman, I would ask whoever is speaking for the Executive Council today — I suppose the Minister of Finance — I would ask the Minister how many copies of this were printed and also could the Minister indicate the cost of this stupid propaganda, this waste of taxpayers' money. It's nothing more than a waste of taxpayers' money. When the Honourable Minister talks about assisting flooded people, how many dollars does this publication put in the hands of the victims of the flood? Not a damn cent and the Minister knows it. Not a damn cent, you know, and to put out crap like this, at least if it were informative, but sending out crap saying that above normal precipitation causes floods. Now who doesn't know that? Then to have the stupidity of saying, now, this is research, so if you have any doubts, this is researched. But maybe

you better research also whether sinning causes floods and if the researchers have showed that sinning causes floods, then include that. (Interjection)— I'm reminding the Honourable Minister in case he has forgotten. I reminded him, so could the Minister indicate —(Interjection)— . . .

MR. CHAIRMAN: Order please, order please. I would recommend to the honourable members before I acknowledge the next speaker, that if we have one speaker at a time, it can all be picked up on Hansard, for posterity, to enjoy the actual words and I would ask the speaker to please speak, at least in this direction, so that the microphone could pick it up. When you turn, we lose some of the words.

The Honourable Member for Inkster.

MR. GREEN: Mr. Chairman, I was denied the opportunity this morning. Apparently the Conservatives are not aware that there are opportunities for debate throughout the Estimates, particularly the Estimates of the Executive Council because, Mr. Chairman, the President of the Executive Council is somebody who is responsible for all portfolios. I did this morning, Mr. Chairman, in view of the fact that I was the Minister of Mines under the previous administration and was much aligned because I wanted the public to have an interest in its mineral development and because there were cries from across the Chamber to the effect that this particular potash deposit had been sat on for eight years with nothing done, I wanted to be given the opportunity to deal with those questions. I was denied that opportunity, not by the Opposition who really have the stake in the matter because they want the Opposition position put forward, but by members of the government because they, Mr. Chairman, were aware that what they were doing was putting forward a speechless position.

Now, Mr. Chairman, members of the government said that this is a happy day. They said — (Interjection)— and here it is again, Mr. Chairman, it's a happy day. I want the honourable members of the Conservative Party to speculate as to what would happen if the president of a mining company with potash resources, which his company had obtained, walked into the shareholders and said to the shareholders of that company, we have taken our potash resources and we've given 50 percent of them to the government of the Province of Manitoba. We are going to let the government of the Province of Manitoba develop these resources and the profit that will be yielded from this 50 percent will go to all of the people of the province rather than to the shareholders of this company.

Mr. Chairman, if that announcement was made by a mining company to its shareholders, the shareholders would not say it's a happy day. They would draw and quarter the president of that mining company, Mr. Chairman. So when the honourable members say that it's a happy day because we've taken known resources, not the resources that have been discovered by this company, but taken known resources and divested ourselves of 50 percent of them and said that those are going to belong to somebody else, Mr. Chairman, I find that to be the essence of the ignorance of the Conservative Party with respect to business, the party they purport to represent. Because when somebody takes what

belongs to me, Mr. Chairman, and gives it to somebody else, I do not cheer. I want to get that person and get rid of him. I say that the people of the Province of Manitoba when it becomes clear to them, Mr. Chairman, that what the Conservative Party has done has divested them of 50 percent of their property and given it to somebody else and expected the people of Manitoba to cheer about it, the people of Manitoba will deal with the Conservative Party who would do that type of thing.

Now let's understand it, Mr. Chairman, let us understand clearly what has happened. This potash reserve was known to the previous Conservative administration before 1969. It was part of their assets belonging to all of the people. It was known during the period of New Democratic Party government, Mr. Chairman, and for those who said that we sat on it, that is an outright lie and they know it. They know it, Mr. Chairman, because there was 50 percent private leaseholds controlled by the International Nickel Company of Canada. There were 50 percent, Mr. Chairman, . . . —(Interjection)

MR. CHAIRMAN: Order please, the Honourable Member for Inkster.

MR. GREEN: . . . Crown leaseholds. There were 50 percent private leaseholds controlled by the International Nickel Company of Canada. The public through its representatives and the Inco people and we sat down together — and they will not deny it — we got together and we hired a consultant in New York, Mr. Chairman. Mr. Chairman, we hired a consultant in New York because unlike the Conservatives we are not jingoistic and say that we will only deal with Canadians. We are not jingoistic, Mr. Chairman, we hired a consultant in New York. The consultant met with us. Our representatives were there; their representatives were there. There was either \$60,000 spent or \$120,000.00. The only reason I can't remember is I know that we were 50 percent. I don't know if we spent \$30,000 or \$60,000 but the figure of \$60,000 is —(Interjection)— Mr. Chairman, I wonder if we can tell the Minister of Transportation to shut up.

MR. CHAIRMAN: Order please. I'm not going to pick out any particular member. There's a debate going from one side to the other. It's not just one member and I would ask that all the members, please give a little consideration.

The Honourable Member for Winnipeg Centre on a point of order

MR. BOYCE: The Minister keeps provoking me, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Inkster.

MR. GREEN: Mr. Chairman, the member said it was sat on. They know that to be a lie; they repeat the lie. The fact is that Inco and us did a feasibility study and came to the conclusion, Mr. Chairman, mostly because the Crown in the Province of Saskatchewan had better reserves and had put themselves in a preferable position by making it publicly owned rather than privately owned; that at that moment it was not feasible but we all knew that there was a

mine there. If the member says we sat on it for eight years, they sat on it for three years, Mr. Chairman, because there was a mine there all the time. (Interjection)— Oh, Mr. Chairman, you said you have to look into it. Well, I am telling you that we looked into it and I'm telling you that the deal in principle that we had was that we would be 50 percent owners, 50 percent investors, and 50 percent yielders of the profit and there would be no agreement as to future taxes that would be paid by the mine. No agreement, because nobody gets an agreement as to what taxes they will pay in the Province of Manitoba, Mr. Chairman. If that's what the Conservatives have to do in order to get some industrial development, Mr. Chairman, they are far worse off than I have expected them to be. Mr. Chairman, they are on the verge of desperation and they come in here and they say that it's a happy day. (Interjection)— Mr. Chairman, now I can identify the person who is interrupting the proceedings. Would you tell the Minister of Transportation to shut his face? He doesn't understand what shut up is. Mr. Chairman, those people are in danger of irreparably damaging the people of the Province of Manitoba. They know that they have no electoral position; they know that they are going down —(Interjection)— so they have come out in the last two months . . .

MR. CHAIRMAN: Order please, order please. Let us try to follow the rules. The rules allow one member at a time to be speaking and that speaker is the one who has been acknowledged by the Chairman and is standing in his place.

The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I never said anything different to the people in Rhineland than I've said in this House, before and after, so I tell the honourable members that two weeks ago they came in and they said that they're going to give up equity in our Hydro system because they think that will get them votes. This week they've come in and say they're going to give away equity that we own in our potash because they think it will get them votes. The Conservatives actually believe that by giving away the property belonging to the people of Manitoba they will get more votes. Mr. Chairman, I hope they continue to believe that because that will be the albatross which will drag them down to depths that they have never before reached. They will go down further than they've ever gone before.

Listen to what they have done, Mr. Chairman. The Ministers have come in now and said that we should be 25 percent owners of a mine that we really own 50 percent of. You know, that's their formula. We are now 25 percent owners of a mine that we should be 75 percent owners because they gave 50 percent of the Tantalum Mine, Mr. Chairman, to the Hudson Bay Mining & Smelting Corporation, which mine in this year, less than two years after they paid \$6 million for 50 percent, netted \$10 million — over \$10 million. The mine has already netted more than the entire investment of the Hudson Bay Mining & Smelting Corporation and they say, Mr. Chairman, that's a happy day, a happy day. Mr. Chairman, I repeat, that if they told their shareholders that, if Hudson Bay told their shareholders that, the Directors of Hudson's Bay would be drawn and

quartered. If the directors of Inco told their shareholders that they had just given up half the resource, Mr. Chairman, belonging to the people of the Province of Manitoba, the directors of Hudson's Bay would be drawn and quartered.

Mr. Chairman, the fact is that the potash resource was there and when the honourable members say that it wasn't developed there, I can tell the honourable members that there are many resources that are there in the Province of Manitoba which will be developed when it becomes economically feasible to do so. The only difference is, Mr. Chairman, that the Conservatives will give them away. When they talk about who has found anything, in the past three years they've gone on with this private exploration program. They have said there will be no more compulsory participation. Interestingly enough, Mr. Chairman, their statements when in government was that there would be no participation — that was communism. They have now become slightly communistic. It's like being slightly pregnant. They have now seen, Mr. Chairman, that it is wise for the state to become an investor in the development. As a matter of fact, Mr. Chairman, for three years they've looked around these efficient, private enterprises and have not found anything. We were two years — two years on a program and in the first two years, Mr. Chairman, they found the mine. That mine is going to be developed by the Conservative Party who have given up again.

Mr. Chairman, we used to have 46 percent in that mine. We now have 24 percent in that mine or 26. It means we've given up 18 percent. You know those people who've given up 18 percent of the property belonging to me, to the Leader of the Opposition and to themselves say, happy days are here again, we've given up 18 percent of our mine — happy days are here again, we've given up half of our potash resources — happy days are here again, we've given up 50 percent of the Tantalum Mine which made \$10 million in the next year after it was given up. And they say happy days are here again, Mr. Chairman. I'm saying that the people of the Province of Manitoba are not going to say that happy days are here again because their property is being squandered and given away and privateered by the Conservative Party of the Province of Manitoba.

Mr. Chairman, an interesting anomalous thing happened today. Mr. Chairman, we were given information by the Minister that we have Sask Oil being a high bidder on oil properties in the Province of Manitoba — very interesting, Mr. Chairman. I suggest to you that there will be a policy of nationalization by the Conservative administration. If Sask Oil becomes successful and starts making money, the Province of Manitoba will nationalize Sask Oil because they don't believe in public corporation. And Sask Oil will be the first and only nationalization, Mr. Chairman, by the Conservative administration because it happens to be a public corporation and they will see the validity of it. They will say, Mr. Chairman, and they will make a good case, by the way. They will say why should a foreign provincial corporation be the one that makes money on oil in the Province of Manitoba — a Saskatchewan company shouldn't be making the money on the oil belonging to the Province of

Manitoba — it should be a Manitoba company. So we will nationalize. (Interjection)— Mr. Chairman, they will say that, they will say it because they will be saying it about a government. They haven't got the guts, they haven't got the sense, they haven't got the initiative to say that if it's owned by Inco, but if it's owned by Sask Oil they will say this is crazy. Why should the Saskatchewan government be making money on the oil that belongs to the people of the Province of Manitoba? If they were there, Mr. Chairman, and I don't think that they will be there but if they were there and Sask Oil did that there would be a bill presented in the Manitoba Legislature, Mr. Chairman, to nationalize Sask Oil and have it a public Manitoba corporation rather than a public Saskatchewan corporation. That really, Mr. Chairman, indicates that when they put their minds to it they can think but they don't put their minds to it, Mr. Chairman.

MR. CHAIRMAN: Order please. The hour is 12:30.
Committee rise. Call in the Speaker

The Chairman reported on the committee's deliberations and asked to sit again.

IN SESSION

MR. SPEAKER: The Honourable Member for Radisson.

MR. KOVNATS: Mr. Speaker, I beg to move, seconded by the Honourable Member for Dauphin, report of committee be received.

MOTION presented and carried.

MR. SPEAKER: The Honourable Member for Gladstone.

COMMITTEE CHANGES

MR. JAMES R. FERGUSON: Yes, thank you, Mr. Speaker.

I have some changes on committees again. Mr. Hyde for Mr. Ransom, Law Amendments, Mr. Sherman for Mr. MacMaster on Statutory Regulations.

MR. SPEAKER: The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, I don't believe there's any disposition to proceed with Private Members' Hour today and I would therefore move, seconded by the Honourable Minister of Finance that this House do now adjourn.

MOTION presented and carried and the House adjourned and stands adjourned until 2 o'clock Tuesday.