

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Thursday, June 12, 1975

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed, I should like to direct the attention of the honourable members to the loge to my right, where we have guests from the Federal Republic of Germany: Herr Leber, the Minister of Defence; Herr Fingerhut, State Secretary; His Excellency, Count Von Podewils, Ambassador; Herr Freudenstein, Interpreter; and Rear Admiral, St. Stevens.

We also have in my gallery, as part of the entourage, Brigadier General H. Link, German Military Representative U. S. A. ; Colonel Rolf Klages, German Defence Attache to Canada; Captain L. E. Barraud, Canadian Conducting Officer.

We also have 13 students of Grade 8 standing from Sandy Bay School, under the direction of Mr. McFarlane. This school is in the constituency of the Honourable Member for Ste. Rose.

On behalf of all the honourable members of the Legislative Assembly, I welcome you.

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

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. HARRY SHAFRANSKY (Radisson): Mr. Speaker, I beg to present the Sixth Report of the Standing Committee on Economic Development.

MR. CLERK: Your Committee met on Wednesday, June 11, 1975, to consider the Annual Report of the Economic Development Advisory Board.

Messrs. Leonard Remis and Paul Phillips, Chairman and Member of the Board respectively, provided information as desired by members of the Committee with respect to the Annual Report of the Board.

The Annual Report of the Economic Development Advisory Board was adopted by the Committee.

MR. SPEAKER: The Honourable Member for Radisson.

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

MOTION presented and carried.

MR. SPEAKER: Ministerial Statements and Tabling of Reports.

STATEMENT - HEART-N-LUNG RACE

MR. SPEAKER: The Honourable Minister of Tourism.

HON. RENE TOUPIN (Minister of Tourism, Recreation and Cultural Affairs) (Springfield): Mr. Speaker, I would like to make a brief statement. I have copies for members of the House. It's an invitation on behalf of the Regional Representative for Fitness and Amateur Sports from the national Department of Health and Welfare. It's an invitation for all members of the House to participate in the Heart-N-Lung 2-1/2 mile race on the 21st of June, starting at 6:45 p. m. and it's for all ages, and all members of the House are invited. Medals will be presented to those that weigh the most and able to attain the final stretch. So I'm presenting to every member of the House details of the Walkathon 2-1/2 mile race, and hopefully the majority of the members will be able to participate.

MR. SPEAKER: Any other Ministerial Statements or Tabling of Reports? Notices of Motion; Introduction of Bills; Questions. The Honourable Member for Brandon West.

ORAL QUESTIONS

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, my question is for the Honourable the First Minister and relates to an Address for Papers filed on or about May 6th, relating to correspondence between CGE and Manitoba Hydro and Manitoba Government. I wonder if the First Minister can indicate when we are likely to get a Return on that Order.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, unless I'm under some misapprehension, I thought that that Address for Papers, that the Return on it was tabled here on Monday last.

MR. MCGILL: Mr. Speaker, a supplementary question. Was not the Papers tabled last

ORAL QUESTIONS

(MR. MCGILL cont'd) Monday the balance of the second Address for Papers relating to correspondence between the Federal Government and the Manitoba Government and Hydro?

MR. SCHREYER: That is correct, Mr. Speaker - correspondence between the Government of Canada and the Government of Manitoba, and is that not what my honourable friend is referring to?

MR. MCGILL: Mr. Speaker, to the First Minister. I would ask if he would not check and see whether or not the first Address for Papers, which covered correspondence between Canadian General Electric and the Manitoba Government and Hydro, is still not outstanding.

MR. SCHREYER: Right, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Thank you, Mr. Speaker. I have a question for the Honourable Minister of Health and Social Development. Can the Minister confirm that Pharmacare was paying out benefits to people who already had full drug plans under their collective agreements, and can the Minister indicate has he taken any corrective measures?

MR. SPEAKER: The Honourable Minister of Health.

HON. LAURENT L. DESJARDINS (Minister of Health and Social Development) (St. Boniface): If there is any problem, I am not aware of anybody that has been paid through Pharmacare and, if this is done, it's being looked at at the present and the changes under regulations, that will be taken care of.

MR. PATRICK: A supplementary. Will the money be recovered or what will happen in the cases where the money has been paid out and there were contracts under the collective agreement already to pay for Pharmacare?

MR. DESJARDINS: Well my honourable friend is assuming, and I don't think I should answer these kind of questions. First of all, if they have a policy, a private policy, I don't think it matters that much as long as they're not using their receipts twice and that will not be . . .

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q.C. (Leader of the Official Opposition) (River Heights): Mr. Speaker, my question is to the Minister of Northern Affairs. I wonder if he can indicate whether the Ombudsman has completed his report in connection with the matters referred to earlier in the House considering a report dealing with licensing and planning, in which there was a complaint by Mr. Callow of Wabman Enterprises.

MR. SPEAKER: The Honourable Minister of Northern Affairs.

HON. RONALD MCBRYDE (Minister of Northern Affairs) (The Pas): Yes, Mr. Speaker.

MR. SPIVAK: I wonder if the Minister is in a position to indicate the findings of the Ombudsman?

MR. MCBRYDE: Mr. Speaker, the Ombudsman made some recommendations which will be carried out.

MR. SPIVAK: Mr. Speaker, I wonder, in addition to the recommendations, did the Ombudsman provide certain conclusions to the Minister with respect to the handling of this matter?

MR. MCBRYDE: The conclusions were in terms of recommendations to be carried out and I guess they will appear in the Ombudsman's report.

MR. SPIVAK: Is the Minister in a position to indicate that the recommendations that the government has now accepted be followed through?

MR. MCBRYDE: Mr. Speaker, the recommendation is basically that the department proceed for the re-zoning that was applied for, and that the Planning Commission invite applications of those interested in building on the site re-zoned; that procedure will be carried out.

MR. SPIVAK: Mr. Speaker, my question is to the Attorney-General. I wonder if he can indicate whether his department is intending to proceed in connection with the RCMP Report on Schmidt Cartage?

MR. SPEAKER: The Honourable Attorney-General.

HON. HOWARD PAWLEY (Attorney-General) (Selkirk): Mr. Speaker, last week I indicated, and the situation is as last week, the final report from the RCMP has not been received.

MR. SPIVAK: Mr. Speaker, to the Attorney-General. I wonder if he can indicate whether the report of the RCMP dealing with J. M. K. and R & M Construction has been received by the Attorney-General.

ORAL QUESTIONS

MR. PAWLEY: The final report has not been received.

MR. SPIVAK: Mr. Speaker, to the Attorney-General. Is he suggesting that the final report on Schmidt Cartage has not been received by his department?

MR. PAWLEY: Mr. Speaker, I indicated at least two or three weeks ago that further information was being awaited. That's still the situation.

MR. SPIVAK: I wonder if the Attorney-General can indicate whether any report dealing with J. M. K. and R & M Construction has been received by his department from the RCMP.

MR. PAWLEY: Mr. Speaker, reports have been received, but those reports are incomplete.

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

MR. SAUL CHERNIACK, Q. C. (St. Johns): Mr. Speaker, I have a question for the Attorney-General. Has he as yet received a report from the RCMP for the theft that took place from the office of the Leader of the Opposition?

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: No, Mr. Speaker.

MR. CHERNIACK: Mr. Speaker, a supplementary question. Does the Attorney-General wish to state that there was no report submitted as yet from the RCMP dealing with a theft from the office of the Leader of the Opposition?

MR. SPEAKER: Order please. ORDER. The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, I suppose I've neglected to call in the RCMP to launch an investigation and probably I should hold myself quite accountable to this House for my failure to . . .

MR. SPEAKER: Order please.

MR. PAWLEY: . . . to call an investigation.

MR. CHERNIACK: A supplementary question, Mr. Speaker. Has not the Attorney-General received from the Leader of the Opposition a complaint and a request for an investigation of the theft of material from the office of the Leader of the Opposition?

MR. SPEAKER: Order please. The Honourable Leader of the Opposition state his point of order.

MR. SPIVAK: On the point of order. If a matter was to be investigated, sir, and was to be prosecuted, I would not forward it to the Attorney-General.

MR. SPEAKER: Order. That is not a point of order. Order please. Order please. One at a time. We'll all get there. Does the Honourable Member for St. Johns have a point of order too?

MR. CHERNIACK: Yes, Mr. Speaker, I want clarification whether the Leader of the Opposition has no complaint to make in connection with a theft that took place, a criminal offence which apparently . . .

MR. SPEAKER: Question please.

MR. CHERNIACK: . . . took place out of his office.

MR. SPEAKER: Order please. That is not a matter of procedure. Neither was the point of order. The Honourable Minister of Public Works.

HON. RUSSELL DOERN (Minister of Public Works) (Elmwood): Mr. Speaker, yesterday the Leader of the Liberal Party or the Member for Portage la Prairie asked some questions in regard to the present use of the old Grace Hospital. First of all, I'd like to mention that this building has been used for a number of functions in a number of departments since its use was acquired by the government, but at present three floors are occupied by Winnipeg West and Winnipeg South district offices of the Community Operations Division, Department of Health and Social Development. One floor is the Moditen Clinic and Outreach Program, both mental health programs, and one floor is the Cadham Lab.

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

COMMITTEE SUBSTITUTIONS

MR. SHAFRANSKY: Mr. Speaker, I would like to make a motion to substitute the name of a member on the composition of the Law Amendments Committee. Substitute Pawley for Uskiw.

MR. SPEAKER: Which Pawley?

MR. SHAFRANSKY: Pawley - Selkirk.

MR. SPEAKER: Thank you. Agreed? (Agreed) The Honourable House Leader.

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, I would like to go back into Committee to see whether we can complete the Metallic Minerals Royalty Act.

I move, seconded by the Honourable the Minister of Health and Social Development that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider the following Bill No. 16, the Metallic Minerals Royalty Act.

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

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

COMMITTEE OF THE WHOLE
BILL 16 - THE METALLIC MINERALS ROYALTY ACT

MR. CHAIRMAN (Mr. Walding): Order please. The matter before the Committee is Bill 16. I understand that we're on Section 1, the definitions section. The Honourable Minister of Mines.

MR. GREEN: Well, Mr. Speaker, the definitions section has been amended rather substantially and I would request from honourable members that I be permitted to move the amendment as it appears in their notes. That Section 1 of Bill 16 be struck out and the following Sub-section substituted therefor. Now I don't know whether honourable members want me to read the four pages, five pages. I wonder whether it could be accepted that the five pages as they appear in their document can now be put into the record and into Hansard as read, and then we will discuss them. But I mean, I wonder if we could have that to start with.

MR. CHAIRMAN: Is the Committee agreed to dispense with the reading of the Amendment? The Honourable Member for St. James.

MR. GEORGE MINAKER (St. James): Mr. Chairman, we would agree to dispense the reading of the Amendments for Section 1 as long as we're allowed to discuss them after they've been moved. (Agreed)

Proposed Amendments to Bill 16 - The Metallic Minerals Royalty Act -

1. MOTION: That section 1 of Bill 16 be struck out and the following section substituted therefor:

1(1) In this Act

(a) "assessment" includes a re-assessment;

(b) "book value" where used to refer to the book value of an asset, means the original cost of that asset less all depreciation charged to that asset as shown in the books of the owner of the asset for the purposes of preparing financial statements for the shareholders of the company up to the end of the fiscal year immediately preceding the fiscal year in which the book value of the asset is material;

(c) "dealing at arm's length" has the meaning that that expression has in the Income Tax Act (Canada), as amended from time to time heretofore by or hereafter;

(d) "depreciable assets" where used to refer to the depreciable assets of an operator means the assets within Manitoba of the operator resulting from

(i) the preproduction development costs incurred by the operator in respect of a mine, whether or not that mine is placed in production, placed in an available for use basis, or abandoned,

(ii) the aggregate expenditures, not including any interest charges, made by the operator for the purchase and installation within Manitoba of mining buildings and equipment, whether or not the buildings and equipment are placed in production, placed in an available for use basis, or abandoned,

(iii) the aggregate expenditures expenditures, not including interest charges, made by the operator for the purchase and installation within Manitoba of milling, smelting and refining buildings and equipment therein, whether or not the buildings and equipment are placed in production, placed in an available for use basis or abandoned, and

(iv) all other expenditures, not including interest charges,

(A) that have been made by the operator,

(B) that, in the opinion of the director, were made for a necessary part of the mineral processing establishment which is of a permanent nature and necessary to the continuing operation of the mineral processing establishment,

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(C) that are shown in the books of the company as capital expenditures for the purposes of preparing financial statements for the shareholders of the operator, and

(D) that were shown as an addition in a capital cost allowance schedule for the purposes of the Income Tax Act (Canada) and in respect of which a capital cost allowance has been claimed under that Act for the year of the expenditure at a rate of not more than 50 per cent,

but does not include any assets resulting from expenditures made for the purchase or acquisition of mining properties from another person, or in obtaining an option to purchase or acquire mining properties from another person, or any assets resulting from expenditures that were part of deductible expenses for the purposes of calculating profit under this Act or The Mining Royalty and Tax Act;

(e) "director" means a person employed by the government under the minister and designated by the minister as the director for the purposes of this Act;

(f) "fiscal year" means a period commencing on January 1 of any year and ending on December 31 of that year;

(g) "husbandry" means

(i) the mining and processing of a mineral in such a manner that the life of the mine is maximized having regard to the economic production of the mineral,

(ii) the efficient use or management of production of the mineral,

(iii) the managing of a mineral processing establishment in such a manner that will not cause or will not likely cause reduction in the quantity of the mineral ultimately recoverable from the mine of the mineral processing establishment under prudent and proper operations and practices, and

(iv) the production of a mineral or mineral products not in excess of transportation or market facilities or reasonable market demand;

(h) "mine," when used as a noun, means

(i) any opening or excavation in, or working of the ground for the purpose of winning any mineral bearing substance, and

(ii) all ways, works, engine, machinery, plant, buildings, and premises, below or above ground belonging to, or used in connection with, the operation of mining, but not including any processing buildings or equipment;

(i) "mine," when used as a verb, or in a verbal sense, means the working of, disturbing, removing, washing, sifting, crushing, or otherwise dealing with, by any mode or method whatsoever, any soil, earth, rocks, stone or quartz, in the process of obtaining any mineral bearing substance therefrom, whether it has been previously disturbed or not, but does not include processing;

(j) "mineral" means a mineral as defined in The Mines Act but does not include

(i) oil, gas, or potassium salts, or

(ii) clay, or

(iii) gypsum, or

(iv) clay products, or

(v) sand or gravel, or

(vi) rock or stone used or intended to be used as rock or stone in building or construction, or

(vii) peat;

(k) "mineral processing establishment" means the mines, concentrators, smelters, refineries, and associated equipment and buildings, within Manitoba, which constitute the depreciable assets of an operator used for the mining, milling, smelting and refining of mineral products;

(l) "mineral product" means a product derived from mineral bearing substances processed in a mineral processing establishment of an operator including those mined, milled, smelted, refined or otherwise beneficiated to a state suitable for

(i) sale to a person with whom the operator is dealing at arms length, within the meaning that that expression has in the Income Tax Act (Canada), for further processing, or

(ii) fabrication by manufacturing, or

(iii) acceptance by the Royal Canadian Mint;

(m) "mining and service assets" means depreciable assets of an operator other than processing assets;

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(n) "minister" means the member of the Executive Council charged by the Lieutenant-Governor-in-Council with the administration of this Act;

(o) "operator" where used in relation to any mineral processing establishment, means the person who is the owner, lessee, tenant, holder or other occupier of the depreciable assets that constitute the mineral processing establishment, or of any part thereof, but does not include

(i) a person who merely receives a royalty or rent from a person who actually operates and manages the mineral processing establishment, or

(ii) a person who is the actual owner of a mineral processing establishment, or a part thereof, that is subject to a lease, grant or licence, to another person for the actual operation and working thereof, and who does not participate in the actual operation and working thereof, or

(iii) a person who is merely the owner of the soil or surface rights of land and has no right or title to the mines or minerals therein, and who does not participate in the actual operation and working of a mineral processing establishment;

(p) "output" means the minerals and mineral products taken or gained from a mineral processing establishment;

(q) "preproduction development costs" means the aggregate expenses, not including any interest charges, incurred by the operator of a mineral processing establishment in the development in Manitoba of an ore body from the date of acquiring the mine that forms part of the mineral processing establishment to the date production from the mine begins, and that are essential to the production of the output of the mine;

(r) "processing" means all forms of crushing, grinding, floatation, roasting, smelting, leaching and refining performed in a mill, smelter or refinery for the purpose of recovering mineral products from mineral bearing substances;

(s) "processing assets" means depreciable assets that are milling, smelting or refining buildings and the equipment therein whether or not those buildings and equipment are placed in production, placed in an available for use basis or abandoned;

(t) "profit" where used to refer to the profit of an operator in a fiscal year, means the profit of that operator in that fiscal year as calculated under sections 9 to 17;

(u) "profit base" where used in referring to the profit base of an operator for a fiscal year means the profit base of that operator for that fiscal year calculated in accordance with section 6 or 7 as the case required;

(v) "royalty adjustment period" means a period of 3 fiscal years beginning on the 1st day of January in the year 1975, 1978 or 1981;

(w) "undepreciated balance" where used to refer to the undepreciated balance of depreciable assets of an operator at the end of a fiscal year, means the amount obtained by deducting from the total of the original cost, not including any interest charges, incurred by the operator in acquiring the depreciable assets prior to the end of that fiscal year and not disposed of prior to the end of that fiscal year,

(i) all depreciation claimed and allowed under "The Mining Royalty and Tax Act" prior to January 1, 1975,

(ii) all depreciation claimed and allowed under this Act after December 31, 1974 and prior to the end of that fiscal year, and

(iii) proceeds from the sale or disposal of any depreciable assets received or receivable prior to the end of that fiscal year or the original cost of the depreciable assets sold or disposed of prior to the end of that fiscal year, whichever is the lesser.

Date of calculation of revenues.

1(2) For the purposes of this Act, all revenues from the sale or disposal of mineral products or from custom processing of mineral bearing substances or mineral products shall, subject to subsection 53(2), be calculated as revenue as of the date of delivery of the mineral products to the person to whom they are sold or disposed of or as of the date the custom processing is completed, as the case may require.

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: Yes, well, Mr. Chairman, certainly now I would suggest that you proceed to read the amendment clause by clause, that is, 1(1)(a), etc. (b) (c). Many of them are as

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(MR. GREEN cont'd) they were in the bill as filed and some of them of course have been changed - mostly to reflect processing or other changes in the Act.

MR. CHAIRMAN: Order please. Before we proceed, could we keep the level of noise down a little lower. If members wish to conduct conversations, would they do so outside the Chamber please. On your sheet of amendments, Section 1(1)(a) - passed; (b) - The Honourable Member for St. James.

MR. MINAKER: Mr. Chairman, I would like to ask through you to the Minister why he has taken a book value rather than, say, a depreciated value for tax purposes in this particular definition?

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: Well, Mr. Chairman, a book value may indeed be a depreciated value. It stands on the book as a cost with a depreciated value. I think that the main purpose of this amendment is to undo discretion and make the formula clear, rather than have it something that is decided by the director. Under Section 8 - if the honourable members would look at Section 8 which we passed today, it refers to book value, and this then gives a definition of book value. But book value could be a depreciated value. It might be - there are two depreciations they might use, one for income tax, one for ours, but I would imagine that they would be taking our book value. Oh, excuse me, it's the book value that is used for their shareholders' books, as shown on the books of the operator.

MR. MINAKER: Mr. Chairman, through you to the Minister. Would that be the same value as is defined in Sections 8(2) and 8(3) that we dealt with today in amendments?

MR. GREEN: Yes. Well, I have to put it the other way around. The book value that is referred to in sections 8(2) and (3) would be determined by looking at the definition section of book value, which is in Section 1(b) - but that is the same book value. Wherever the term "book value" is used in the Act you go back to the definition section. That's the same thing, Mr. Chairman, as is being done with (c) in the previous Act - every time it referred to dealing at arms length it described it, now it takes out the description and puts in a definition of dealing at arms length.

MR. CHAIRMAN: Section 1(1)(b) thru 1(1)(d)(iv)(C) - passed; (D) - The Honourable Member for St. James.

MR. MINAKER: Mr. Chairman, it relates to (D) that I will be discussing, so I presume you've called the passing of (C), is that correct?

MR. CHAIRMAN: All right, go back.

MR. MINAKER: I wonder if the Minister could explain the purpose of this amendment on (D) and explain briefly what the intention is with this particular definition.

MR. GREEN: (D) that is being referred to?

MR. MINAKER: Yes.

MR. GREEN: The intention of this entire section is to determine depreciable assets, meaning the assets within Manitoba, or the operator, and then it takes out the processing assets that used to be in there.

Mr. Chairman, this section will be building up the investment base. Section (D) does not permit them to claim as a depreciable asset something which they do not claim as an asset for which they are entitled to a capital cost allowance under the Income Tax Act. In other words, if it's an item of capital under the Income Tax Act, we will recognize it as an item of capital. If it is not an item of capital under the Income Tax Act, we will not recognize it as a capital item under our Act.

MR. CHAIRMAN: (D) - passed; (iv) - passed; 1(1)(d) - passed; 1(1)(e) - The Honourable Member for St. James.

MR. MINAKER: I'm sorry, Mr. Chairman, I didn't realize you had an (e) and (f) changing, I was going to talk on husbandry so I'll wait till (g) comes up.

MR. CHAIRMAN: 1(1)(e) - passed; 1(1)(f) - passed; (g)(i) - The Honourable Member for St. James.

MR. MINAKER: Yes. Mr. Chairman, I wonder if the Minister could advise us, with regards to the husbandry penalties and the general definition of husbandry, what would be the department's attitude where a mine would be operating and through the efficiency of operation, they came across a particular set of circumstances where it might be worth their while to over-extend the mining of a certain area for efficiency's sake in terms of economies and wish to

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(MR. MINAKER cont'd) stockpile it; and then when the particular market was correct, to get the optimum value of the mineral, that it may to some degree place a burden on the transportation systems in the north because there is an indication in the Act with that regard. So our question is: How do you relate these guidelines on husbandry to where a mine, because of certain circumstances where they're mining the ore in the ground, find it is more equitable, more efficient to make the effort to mine this particular section, to stockpile it because of maybe market conditions; and then when the market conditions are correct, to sell the product on the market and in turn maybe put some burden on the transportation facilities? How will this be analyzed, or how does the Minister visualize these particular sets of circumstances being handled by his department?

MR. GREEN: Mr. Chairman, when I introduced the concept of husbandry last year, we did it on a fairly definitive basis - but it was a basis which we felt that we would not want to proceed with in the absence of much greater study and discussion with the people involved. So we introduced a concept this year as a statement of intention upon which jurisprudence would have to be built. And any jurisprudence, particularly with regard to offences, is built on the basis of reasonableness, with the Crown having to prove its case beyond a reasonable doubt. So the Department of Mines which would administer this part - which is clearly not administered by the Department of Finance - would have to be satisfied that it could convince a judge that what was being done was contrary to the efficient operation of the mine, taking into account all of those circumstances. And I would say frankly, from this point, that they would have a very tough case if the mine can show a reasonable proposition for what they are doing - and not only that, but the mine would have the benefit of the doubt resolved in its favour. The standard of proof for criminal cases is that the Crown must prove its case - the words were "beyond a reasonable doubt". Any reasonable doubt must be resolved in favour of the company. Now I feel fairly confident that the mining community in Manitoba does not wish to engage in bad husbandry. I believe that this section is a statement of intention which is available, but I think that in the case that the honourable member put - and it's very dangerous to argue how a judge will decide - that there would be a jurisprudence built up, and I rather think that if a reasonable case can be made for efficient operation, that the court would not find in favour of the Crown. I even gather that the Crown would not pursue such a case.

The whole concept of husbandry arose because it was suggested that with certain taxes, mining companies would merely avoid the taxes by not taking grades which were economical but which would cost them a little bit more in taxation. We've been assured that that won't happen, but we do think that we should introduce a concept - and I think that the Member for Riel last year said that this kind of thing is a thing that has to be done. You know, we do it with relation to fishermen, we do it with relation to forestry and we are making a start in it with regard to mining operations. But as to how that question would be answered, I believe that the court would listen to a reasonable argument and then give the mining company the benefit of the doubt.

MR. MINAKER: Yes. Mr. Chairman, we're happy to hear the Minister's explanation, because the example I indicated really isn't one of high-grading but one of trying to get the optimum value of a non-renewable resource which in end would benefit the people of Manitoba as well as the mining involved. So we just wanted to get a clarification on this particular subject.

MR. CHAIRMAN: ((g), (h) and (i) were read and passed.)

(j) (i) - passed; (j) (ii) - The Honourable Member for St. James.

MR. MINAKER: Mr. Chairman, I think it would be satisfactory to us - and the Liberal members are not in their chairs at the present time - to pass Pages 3 and 4 on a per page basis until we get to Page 5, if it's fine with the Minister.

MR. CHAIRMAN: Page 3 - passed; Page 4 - passed; (s) processing assets - passed; (t) - The Honourable Member for St. James.

MR. MINAKER: Yes. Mr. Chairman, I believe this would be the opportune time to indicate the feeling that our party has on this particular bill. I think that the way that we have handled the approval of the bill to date has been on an item per item basis, and I believe now when we get to the amendment section 1 (t) and (u) that we are dealing with probably the basic principle behind the bill in many ways. I want to make some comments at this time and I hope that you will find me in order as I do so, because we want to make sure the Minister has an opportunity to come back with his comments rather than to make a speech in third reading that would not give him the opportunity to reply.

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MR. GREEN: I fully appreciate what the honourable member wishes to do, and I wonder whether he couldn't do it more - I am only asking this - on the motion that the bill be reported, which is the general motion, and then let these items go.

MR. CHAIRMAN: Section 1 (t) - passed; (u) - passed; (v) - The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Chairman, I want to ask here on this, where you take these three fiscal years, why in taking them three years as a block and then when you come to the end of that third year, you move on to the fourth year. You don't drop the first year and take two, three and four, but you consider the fourth year as the first year of the next three-year cycle - rather than having this on a sliding basis where you always are working at the leading edge of the three-year period at all times. Why take it as three years at a chunk, then you go through one, two, three, and then that is the end of that period of history; and then your fourth year is Year No. 1 of Cycle No. 2, rather than just having it sliding along, dropping off to your first year when your fourth year comes up. I find what would seem to be an inconsistency or some lack of at least obvious rationale in having this thing just move along on a continuous basis. What is the rationale for using these three discreet year periods rather than having it on that basis?

MR. GREEN: There's no significance in the three periods. You could . . .

INTRODUCTION OF GUESTS

MR. CHAIRMAN: Just a minute please. Before I call on the Honourable Minister, I would direct the attention of honourable members to the gallery to my right where we have 55 students of Grade 5 from Linden Lanes School under the direction of Mr. McMillan and Mrs. Watt, and from the constituency of the Honourable Member for Brandon West. On behalf of all the members I welcome you to the Legislature.

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MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: There is absolutely no significance to the three periods. I mean, we have legislated for three periods and that is a speculation of the tax law. It could have been left indefinitely, filing returns on three periods. Secondly, it could be that in five years the law could be changed. But the legislators felt that it is of some desirability to express a certain number of taxation years in which we are dealing with this bill. I think that that is the only significance of it. But there is a great deal of significance in the other question. It's more money this way, more money for us. If we legislated a completely rolling period, then the incremental tax would be always adjusting on the basis of revenues which were below the incremental tax.

The first bill that we brought in, there was no adjustment in one year - if they made an incremental tax, that was paid. Now, if the honourable member wants the logic, I would say there you cannot find perfect logic in every taxation bill. It could be just as logical if we decided it was going to be one-year basis. So there was a compromise. There was a compromise on the basis of the fact that there was some validity to the position, if you have one good year in-between two bad ones, why is it that there would be a higher tax paid, an incremental tax paid during that one year? Now, having made that allowance, a person could logically argue, well, yes if that's logical - and the Member for Riel has argued it - why not make that a continuous thing, that if you ever have a bad year, you should be able to spell off against the good year. And the answer is, it's because this is a revenue statute, and the revenues that we are seeking can only be sustained on the basis of making sure that when there is a period of growth, that there will be revenues to the province - and that they will not be trying to undo that either by high depreciation or by bad times, which the money companies will run into, in which case the concentrate is removed and never does the province have a chance to obtain a revenue from the incremental Royalty Tax. So this is a compromise position, rather than having a 12-month period, and that's why this morning I did not refer to it as an averaging out or a saving of the incremental tax. What I have referred to is a 36-month tax year. And on the 36th tax month year we are prepared that the incremental tax will not be levied unless it is there over an average of three years, but we are not prepared to say that that incremental tax will never come on the basis of past losses. And the honourable member has made a good point, that if you did

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(MR. GREEN cont'd) that, it would mean that there would be less taxes paid by the mining companies, and that's the reason. The first, I don't really think that I can make a logical position for. We can say Royalty adjustment period means a period of three fiscal years beginning on the 1st of January in the year 1975, and continuing thereafter. I mean, you could say that, except that, who is so presumptuous as to legislate forever? That's the only reason.

MR. CHAIRMAN: The Honourable Member for Riel.

MR. CRAIK: Well, a couple of facetious comments, Mr. Chairman. One is, that this rules out anybody ever being head of a mining company except an accountant I think, by the time you add up all these things; plus this here, where you have to be watching, rather than your technical aspects, you have to be watching where you are with regards to your three-year period.

The second remark is that as I recall, 1984, which is not on here - is George Orwell's here - and I wonder if there's any significance to the fact that by 1984 there's no mining companies left anyway.

MR. GREEN: Mr. Chairman, you know that is really an interesting remark that the honourable member has made because - the Legislative Counsel won't be annoyed with me for this - he came up and said, well, you know the year 1984 . . . and that date is mentioned so often, we just didn't start with it. So he had the same thing in mind that you have. I fully expect, Mr. Chairman, that 1984 - and I hope 2084 - that we will be here and there will be more mining activity in the Province of Manitoba and that the people will get a decent share on the return.

MR. CHAIRMAN: (The remainder of Section 1(1) was read and passed.) 1(2) - the Honourable Member for St. James.

MR. MINAKER: Mr. Chairman, through you to the Minister, I wonder if the Minister could advise why the income is calculated based on date of delivery in terms of revenue. I'm thinking - I believe that some of the more major companies and that like INCO may have a marketing division in the U.S. where they will ship a product out to the U.S. company, and they will stockpile it and then will put it on sale at a later date. And they really aren't an arm's length transaction, they're part of the body of the operation. Yet I understand from the explanation given here, that the revenue of the company here in Manitoba would be based at the market value at time of shipment. I'm wondering, you know, if the consideration had been taken on this type of operational marketing?

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: I'm sure that it was, Mr. Chairman, because the honourable member has correctly put it, this ensures that the revenues will be calculated on an accrual basis when the material is delivered. This is one of those sections, Mr. Chairman, I suppose about which there has been argument, and where the discretion of the director was what had governed, and then it could be assessed. Now they have removed the discretion but they've put it in the way they have exercised that discretion, which is what they will do. It seems logical, Mr. Chairman.

We are taking a Royalty on the concentrate, and when the concentrate leaves the Province of Manitoba, it is just the same as any other person who supplied a material, or the rent - and for that reason we feel that if INCO has shipped out, or if somebody else has shipped out, that their profit will be calculated on an accrual basis. But the member has properly identified it and that was the reason for putting it in that way.

MR. CHAIRMAN: 12 - passed. Preamble - pass, the Honourable Member for St. James.

MR. CHAIRMAN: 1(2) - passed; preamble passed; title - passed; bill be reported - The Honourable Member for St. James.

MR. MINAKER: Thank you, Mr. Chairman. I would like to make a few remarks at this time with regards to the bill before us, in particular with regards to the principles of the bill as we understand it on this side that are being proposed at this time; and in particular with regards to some of the comments that the Honourable Minister of Mines and Environmental Management made when he was introducing the bill - which have given us concern, and I think this was indicated in the debate during Second Reading, some of it - which makes it very difficult for us at this time to support the bill. And I'd like to particularly draw your attention, Mr. Chairman, to some of the comments that the Honourable Minister stated on April 14th

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(MR. MINAKER cont'd) when he delivered the Second Reading of the bill and gave its explanation. And one of them was - and actually they were in the latter part of his statement to us at that time, and they were as I quote:

"I believe that this is good legislation. I believe that it will provide a model . . ." Now this gave us - I wonder - what does he mean by "will provide a model"? "If we give it a chance, for other legislation which will be enacted in this country". Now, Mr. Speaker, will it become a model of the principle in taxation for our province? Will it mean that we can expect other legislation relating to other resource industries? And this was further - this concern raised in earlier comments that the Minister made in the same presentation - and he was, I think - I don't know whether he was relaxing himself because his friend the Honourable Member for Lakeside pulled out a book that I think is very close to the Honourable Minister's heart with regards to Mr. Henry George's philosophy - and I'll read you what the Minister said at that time, and I quote:

"I see the Honourable Member for Lakeside is taking out my bible." Now, that means a lot, when a Minister calls it his bible. I try and operate by a bible, it's not Henry George's bible, but I try and abide when I can to it, and then very closely to it. And he goes on, and I quote: "The Henry George's Progress and Poverty, which I would commend to other members in the House because I think that Mr. George made what I think has made the most rational division between what a person is entitled to for his individual efforts, which is the sort of proposition advanced by my most free enterprisers, that the person who puts in effort and puts in initiative, puts in labour, is entitled to a return for it. And some product belongs to the state, to the community generally, and Mr. George, I think, made the best distinction that at least I have read with respect to that division. He said" - and the Member for Riel will smile when I bring forth this example - "he said that the land, by which he included all of the natural resources - that means the air - and I underline "land", the water, and everything that is in the land is the property of mankind. It belongs to God and God gave the land for the benefit of all, and that no one is entitled to utilize the land to the exclusion of all others; that no one is entitled to perpetual private property in land." And I see the Minister nodding with approval. "If I can put it in that way, that belongs to the community, but what a person produces as a result of applying his individual labour to that land belongs to the individual, and that cannot be taken from him." Now this is the part that concerned us with that prelude of what the Minister quoted, and I quote again what he said in that presentation: "Now how does that apply to, let us say, a farm? How does economic rent apply to a farm? Well, let's say that the farmer who is farming the best piece of land and is getting, let us say, 60 bushels of wheat to an acre" - is that good? I think it's very good. That's unquote. But the Minister says, "Good. Sixty bushels of wheat to an acre - and is entitled, and will make money on that basis at a price of \$3.00 - works no harder than the farmer who takes the last marginal piece, which is only profitable at \$6.00 a bushel and may get 30 bushels of wheat to an acre. The difference is not human initiative, it's not energy, it's not greater effort in his economic rent, it is merely the value of the land that has made that possible."

Now, Mr. Chairman, we are concerned on this side that the principles that are before us today, that when the bill is given third and final approval and final royal assent, may well be applied to the farming industry, the agricultural industry in our province, because it is obvious from the Minister's remarks during the presentation of this bill that it's a model, he thinks it's good legislation - we've heard his beliefs on what he feels with regards to the ownership of land. We also know what the Minister of Agriculture's beliefs are on the ownership of land in his land use policies that he is presently trying to introduce. And if we apply these principles - and I may be wrong in my interpretation of the principles, but these are what we feel they are; One, that where the use of a resource is involved and certain individuals, whether they be corporations or people, have the control or the right to utilize those resources, if these people benefit in the opinion of the government to a larger degree than they should - and I cite now the Provincial Government - then there should be a royalty tax.

Mr. Chairman, what we are dealing with is that it's always been my understanding in the past that the Provincial Government to some degree - until a few years ago, and it's a changing field - has taken the attitude when it comes to an income that they will take a certain percentage of the federal tax. They've agreed to this in income tax, they've agreed to it in corporation tax, they've more or less gone along with this principle that they would take a percentage of what

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(MR. MINAKER cont'd) the Federal Government was taking. But now we have here before us a principle that says, one, the government based on some set of rules, the Provincial Government, will establish what a person or corporation has invested and what the government feels is a fair return if it's related to the resource field. Further, that it is in a way independent from the federal tax that that individual or company will pay because of the, I would presume, the BNA Act that gave the ownership or control of the resources to the provincial bodies.

So we have before us now a principle that the Provincial Government can establish a certain rate of return on investment - and in this case it's with a non-renewable resource - but yet in the introduction of the bill, the Minister has indicated it could well apply to land because we're talking about economic rent, a scarcity of a commodity that comes from a resource, and because of the scarcity of the commodity and increased profits that there should be a royalty. Well, what happens if we apply this principle to a farmer? And I am subject to correction on some of the values that I'll use, but I think they're fairly realistic. But what if we took a farmer who owned a section of land, a section of land which is some 640 acres - and nowadays land is going I think anywhere from \$125 an acre to maybe \$200 and even higher in some spots - but if we assume that that section of land is worth \$90,000, somewhere in that neighbourhood, I have talked to my colleagues who are rural members and found out from them what kind of investment would be required by a farmer who has that size of land with regards to machinery, because they are part of the processing of grain and the final product that is delivered to market. And they said, you know, you wouldn't be very far out of line if you said \$50,000; so we're looking at a \$140,000 investment that a farmer would have in a section of land. Well if we apply the principles that is in this bill, if the government decided that man could have 18 percent return on his money, we're looking at a return of some \$25,200, and if we apply the same concept that if a royalty was applied at 12-1/2 percent or 15 percent on that return, further that the federal Income Tax wouldn't recognize that in the same way they don't recognize it with the mining people, what happens to the farmer who just makes that 18 percent on his return? What happens today if we go to the tax tables and find out what kind of tax that individual would pay?

Well, if the farmer happened to have two children and a wife that weren't working, or he was claiming them - they were under 16 years of age - that if he was allowed like he is under the present Act, the mining people, to write off some of their appreciations on equipment, federally, he would end up paying approximately \$4,000 in income tax and another \$1,700 in provincial, and he would pay a royalty of \$3,150. So it ends up when we finish off taking all these deductions off, that the farmer is lucky to see \$16,000.

Well, Mr. Chairman, we're looking - and with all due respect to the plumbers and the electricians and all power to them if they can get the services paid to the degree they are - we're looking at, in two years' time, a good electrician or a good plumber will be making \$24,000 or \$25,000 a year without any investment other than a tool box. But here comes the clincher, Mr. Chairman, that really gives us concern, and I think there's reason to have concern because the agricultural industry has done well in the last few years, but if you look at the three-year cycle of agriculture, some years it does very bad; other years it does well. The individual farmer can be hauled out. But last year, if we use the values of the Economic Advisory Board that reported to us last night in committee, the agricultural income, the net income last year in the province, was some \$508 million. That's a lot of money. It's the backbone of our province. So it would be very interesting for the government with their philosophies of their front bench, the Minister of Agriculture and the Minister of Mines, to want to apply this philosophy of this principle of tax to that industry.

But what happens to the farmer that makes a dollar over the \$25,200? With today's tax structure, both federally and provincially, what happens to that farmer if he makes \$10.00 over that amount? I'll tell you what happens, Mr. Chairman. His federal tax that he pays hops to 35 percent because the remainder of the money that he was paying on his \$25,000 income, or his \$16,000 net that he would pay to the government, Federal Government, hops to 35 percent. So he pays 35 percent federally - that's on the next dollar he makes over what the Provincial Government decides he can earn on his fair return - he pays provincially close to 15 percent, and then royalty tax would be 35 percent if we follow this principle, so he would pay a total of 85 percent tax. Mr. Speaker, this seems to fall in line with the unabridged form of the Manitoba Manifesto comments with regard to similar areas, and I'll quote it.--(Interjection)-- The unabridged. Yes, I have a comment to make with regard to the Honourable Member from

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(MR. MINAKER cont'd) St. Johns in a minute too. But the main thrust of this chapter related to purposes has been that the public sector can . . .

MR. CHAIRMAN: Order. Now I've given the honourable member quite a bit of latitude. He's wandered into the farm areas, everywhere; now he's somewhere else. Now, we're on the mining bill. I think the honourable member should make his comments towards the mining bill.

MR. MINAKER: Mr. Chairman, with all due respect to your comments, I believe that I indicated that we're dealing with the principle of the tax; it can be applied to the farming industry. So that this is the problem that we have on . . .

MR. CHAIRMAN: . . . not applying to the farming industry; it's applying to the mining industry.

MR. MINAKER: I think, Mr. Chairman, in due respect, that if you read, and I can read them back to you, when the Minister introduced the bill he said, "Well let's see how it could be applied to the farming . . ."

MR. GREEN: Mr. Chairman, I did not say that the tax could be applied to it. I said the concept of economic rent could be applied to the farming industry and has been applied for many years before it got to the mining companies.

MR. MINAKER: Well, Mr. Chairman, I'll quote what the Minister said: "Now how does this apply to, let us say, a farm? How does economic rent apply to a farm?"--(Interjection)--Okay. I'm explaining - our understanding of the bill is that the 35 percent incremental royalty is there because of incremental rent. Is that correct? Is that the principle of the bill? Because it's my understanding, Mr. Chairman, that it is, and this is why I'm relating to why we have concern of supporting this bill because the Minister indicated in his presentation that it could relate, this economic rent, to the farming industry.

MR. GREEN: Mr. Speaker, I never said that the bill would relate to the farming industry.

MR. MINAKER: I said that the economic rent . . .

MR. GREEN: The farmers of our society have been charged economic rent by the state for years and years and years. The mining companies have got away with it. We are now going to apply it to the mining companies, and I will demonstrate how the farmers have been charged economic rent by your government.

MR. MINAKER: . . . Mr. Chairman, and I'd like to state that I think it relates, what I am going to read, and I'll read the very short portion. It says, "Essentially we shall see a major transfer of income from the owners of property." I'll repeat that. "Essentially we shall see a major transfer of income from the owners of property . . ."

A MEMBER: Read on.

MR. MINAKER: I'll read on. (Ha, ha. The man's read it.) ". . . many of whom reside outside of the province, to the consumer of goods and services."

So, Mr. Chairman, we cannot support a bill in the same way - and I will admit I was not in the House at the time the mineral acreage tax was passed but, in talking with my colleagues that were here at that time, it was our understanding that it would only apply to corporations.

MR. CHERNIACK: Only the stupid thought that.

MR. MINAKER: There we are, Mr. Chairman: "Pass this principle and then we'll jam it down your throats afterwards if you don't go against it or you don't state your concern." Yet we found out the following year that widows on farms were taxed it and if they didn't pay it then they lost their rights. The same thing applies here, Mr. Chairman. This principle, if accepted, will be applied to the farming industry, that says an individual can no longer make more than a limited amount from his efforts, not even the amount that, say, a plumber or an electrician makes without the investment that the farmer has to make. Do we also apply that the farmer cannot write off his interest that he pays for a payment on the farm? Because that's a principle that's here. Do we also accept the principle that it will become three-year cyclic, that he can surmise from year to year his profits, if he makes any, but if he happens to have two bad years where he's either rained or hailed out, or the market falls, if the next year it comes along and booms that he'll pay that 85 percent tax? Because that is what we have before us at the present time in principle. And, Mr. Chairman, . . .

MR. DOERN: Will the honourable member submit to a question?

MR. MINAKER: Afterwards, very gladly. This is the concern that we have and for this reason we cannot support the bill. It may be fashionable to support the bill when it deals with

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(MR. MINAKER cont'd) mining. It's fashionable to kick the mining corporations or, as the Honourable Minister said - and I have to presume he meant Simon was the mines - that it's fashionable to kick them. But are we dealing with a basic principle here that will be applied to other resource industries, and in particular, because of the experience that we've have from the Minister of Agriculture in his land policies, in his desires, the bible that the Minister of Mines believes in - Henry George's bible - that it will be applied to land, the most valuable resource that we have, without taking any relation into the risk, taking any relation into the effort, the know-how that farmers put in to getting their income, without taking into account the year by year risk of nature, of God, on whether or not they're going to have a crop? These are the items that concern us, Mr. Speaker, that it's the wedge in the door to a new concept, and if we accept it they'll say, "Well, you accept principle. What are you arguing about?"

So, Mr. Speaker, I wanted to make these comments at this point so the Minister could reply. I did not want to make them in third reading when he wouldn't have the opportunity. And I appreciate the Minister giving us the forenoon to go over the different definitions that we have.

MR. CHAIRMAN: The Honourable Minister of Public Works.

MR. DOERN: Mr. Chairman, I wanted to ask the honourable member if he could comment on the following. He seems to believe that because a man such as a farmer has a capital investment, that he is entitled to a return, but that someone who's a skilled tradesman, like an electrician or a plumber who may have spent five years apprenticing, etc., that he doesn't seem to consider that an investment or be able to compute some sort of an economic value to that. Don't you think that there's a considerable investment on the part of people who have taken a long training, including lawyers, doctors, electricians, plumbers and so on, that that's worth a great deal as well?

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

MR. MINAKER: Thank you, Mr. Chairman. I agree with the Honourable Minister of Public Works. I'm sorry he misunderstood me. What I had said when I was explaining our concern was that a farmer who has a \$140,000 investment, if you apply the principles of 18 per cent return on that, after you apply the Federal Tax, the Provincial Tax, and this Royalty of 12-1/2 percent or 15 - it would be worse with 15 - he ends up with a net income, a workable income of \$16,350. Now that's for his labour, everything. Now I have nothing against the electrician, and I said this, or the plumber earning that kind of service, but what we're saying is that the farmer, who has the risk that he has, still only has \$16,000 to work with even after he's got all this investment that he has to maintain and so forth. So that this is what I was trying to explain in my debate.

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: Well, Mr. Chairman, I rather welcome the honourable member's remarks because I've been wondering just how the principle of this bill is going to be attacked. I believe that we have thought out a concept over a period of two years and that we have refined it and we have sophisticated it, and we've attempted to deal with every reasonable objection, and I believe that the Honourable Member for St. James has satisfied me that we've succeeded beyond our wildest imagination, because I can see the people in the Conservative caucus sitting there . . . By the way, I never said it's fashionable to kick the industry. I don't know where you have . . . Then I misunderstood you.

I do believe that there are some people who think that it's okay to tax everybody else. You know, "Tax everybody but don't tax me," and therefore there may be somebody who says, "Well, what are you worried about the mining industry? They've got no friends. Tax them." I don't believe that. I have continually said that I think that the existing mining industry has to have a reasonable basis of taxation and reasonable expectations from their investment in the province, and I have not gone out and tried to sort of pit the worker against the miner, or the farmer against the miner. I believe that the mining industries are entitled to a fair position.

But I can see the Tories sitting in their caucus and saying, "Now look. There's no use defending the industry. There's nothing unfair in this. The tax appears to be reasonable, it appears to be sound. How are we going to attack this bill?" Then they said, "Well, let's say that they're going to do this to the farmer, and that way we can attack the bill while still saying it's a good bill because we'll be scaring the farmer into thinking that that is what's going to happen." And this, Mr. Chairman, is a fashionable approach that has been used by every group of people who have ever attempted to escape taxation. You know, the people who fight

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(MR. GREEN:cont'd) against estate taxes, they say, "Don't say that it's going to hurt us, say it's going to hurt the poor guy who inherited a business. Say it's going to hurt the little guy whose father passed away." And it's only for the Honourable Member for St. James that that had currency.

In my law practice there were people who were inheriting \$1,000 who were afraid to report it because they thought the government gets something, because they had heard all this uproar of estate taxes. Now, of course, estate taxes never came in at that time until you inherited \$50,000, but they had been led to believe by the people who had been fighting against estate taxes that if they inherited money they were in trouble, and therefore they didn't want to report their estates and they were greatly relieved to find out that that was not the case. And I want to greatly relieve the Honourable Member for St. James. If he is concerned with this bill as it relates to farmers and if he is worried about Henry George as he relates to farmers, then I ask him to read Progress and Poverty, because in Progress and Poverty the solution to the way in which Mr. George would have dealt with the problems of dividing the economic rent and the amount that a person was entitled to for his individual effort, was through the means of a single tax, and that that tax should tax the rent, the economic rental value of land. Therefore, anything that you produce beyond that value, there is no tax on it. You get it all to yourself because that is the efforts of your individual production.

Therefore if two farmers were on equal land and they paid the state an economic rent, then if one produced more and the other produced less, the one who produced more would not pay an income tax. Because that hasn't resulted from anything that the state has given him, that has resulted from his own efforts. And in our society, if he is worried about the farmer paying an economic rent, that's what the mining companies said to me. They said, "Would you attach this to a farmer?" So I said, "The farmers are doing it now. You are not doing it." The farmers are paying a tax on their real property which the mining companies are not. Secondly, the farmer is paying a graduated income tax, and the mining companies were not. The farmer now pays an economic rent. If the two farmers that I have spoken about, one who was farming \$6.00 a bushel land, it was valuable only at \$6.00 a bushel, as against land that was valuable at only \$3.00 a bushel, presuming they put in the same amount of work the \$6.00 a bushel farmer would make more money and would pay more taxes, because there is a graduated income tax on farmers. But there is no graduated income tax on mining companies. So to the honourable member who now says that he is voting against this bill to protect the farmer, I say that he should have thought about protecting the farmer years ago when we imposed the graduated income tax on farmers, when we imposed a rental on the land that is occupied by farmers assessed according to its value, but had not done that to the mining companies. The mining companies are just getting a little bit even. I mean, we're just getting a little bit even with the mining companies as against the farmers. We're not going to the farmers.

But if the honourable member wishes to take it further and find out how we have taxed the economic rent of the farmer as against tax to the economic rent of the mining company, he need only go back to any farmer who farmed between 1958 and 1966 and ask him whether he would have been satisfied with 18 percent on his investment. They were not getting any return on their investment. They were not getting paid for their labour, because they had \$100,000 invested in land and they worked for a year and at the end of the year they may have made \$6,000, which was not even return for their labour.

How did that happen, Mr. Speaker? How did that happen? Because some New Democratic Government party came and taxed them? No. It happened because Liberal and Conservative administrations made sure that they purchased their products on a closed market and sold their grain on an open market, and that took away any economic rent that they ever had. And that was done, not by this administration, that was done by Tory administrations and Liberal administrations - not this administration. So when the honourable member tries to scare the farmer by saying that you are opposing this tax to protect him on the basis of what I said reading from Henry George, then I say that the honourable member should read a little bit more of George. Because he talked to the farmers and he said that if we taxed the economic value of your land, the economic rent value of your land, people are going to tell you that your taxes will go up. They're going to tell you, the farmer, to be the resistor of the single tax. And to get it on the basis of suggesting that if all the taxes were taken off everything else and placed on the land, the land would pay a heavy burden of tax. What they didn't tell them is that the

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(MR. GREEN cont'd) differential between farm land and land on the corner of Portage and Main and in the city would be far higher, would cause a far higher differential in the taxes paid by those two groups of people, and that if you wiped out the other taxes, that the farmer would be the net gainer by a single tax applied to the economic rental value of land. And I still believe that to be the case. I mean, I'm not suggesting that we do that, but he never said that we should take away private property in land. George never said that. All he said was that the economic rental value of the land should be the only tax and that should be the tax that applies to everybody. And everything that a person makes after he is able to pay that, belongs to him. He should pay no income tax, pay nothing else.

Now the honourable member can't surely compare the removal of a resource by the mining industry, which is a non-renewable resource which is taken away never to be re-obtained by the province, which is a clear diminution of wealth, with the creation of wealth by the farmer who does not remove the renewable resource - unless he mines the land, and you're not suggesting that the farmer in our province is going to mine the land. I guess that has happened in jurisdictions but I do not suggest that the Manitoba farmer is doing that. So what we are talking about here is a rental, and it is not correct to say that we have always relied on a percentage of the Federal Government tax. Our royalty now is a royalty based on income, so a 23 percent royalty it was a 15 percent royalty. But it is a royalty based on income and has nothing to do with the federal tax. We obtain a portion of the federal tax because the Federal Government feels that there is something due to the provinces out of the income tax retained from their resource revenues.

Now, obtaining a rental on our resources, is that something that is new to us? The Province of Alberta is taking 65 percent of the incremental price of oil for the Province of Alberta. It is not relying on a federal tax - that's a Tory province. And they all charge a royalty in this way. What we have tried to do, what we have tried to do is to put a rationale to the royalty, and we are trying to avoid, Mr. Chairman, we are trying to avoid a scramble to keep on lifting the royalty, one government and then another government saying that they will collect more and leaving the industry in a completely unclear position as to when they will pay a higher royalty. In this case the royalty is self-adjusting.

Now, Mr. Chairman, I said, and I believed, that this will be a model for this type of taxation. I want to report to the Honourable Member for St. James and the Honourable Member for Riel that I was in Calgary about a month ago. I attended a meeting where the Honourable Judd Buchanan was addressing the petroleum industry on the question of royalties, and Mr. Buchanan said, "We are thinking of a new system of royalties. We are talking about letting you have a basic return on your invested capital and after that return we are talking about sharing in your revenues." Therefore I am not far off in saying that this will be a model, because that's what the Honourable Mr. Buchanan said. He said a basic royalty based on your invested capital and profit-sharing beyond that rate of return, and he mentioned a royalty of 10 percent; he did not mention a rate of return.

So the reason that I said this would be a model is because I believe that it is a good way of taxing in the resource industry. I'm not suggesting that it become the model of taxation for every type of industry in the country. It may be a good model, but that is something that has to do with federal income tax. The Provincial Government does not levy an income tax; it levies a provincial tax based on the federal tax. But I could be easily convinced that the method of federal income tax would be better off and more fair to the companies if it were to be based on investment capital rather than being based on flat return, because in that way a company that has got a million dollars investment and makes \$100,000 would not be penalized, which it now is, against the company that has \$100,000 invested and earns \$100,000, and both pay the same tax. It doesn't make sense. With individuals it makes sense because we are each the same and we invest ourselves and if there's a graduated income tax we pay it in accordance with our income, but that is not the system now with regard to commercial incomes. I'm not sure it will be but I think it makes more sense, and I think that we have been able to provide a rational system here in the Province of Manitoba.

I am sure there will be amendments. I do not think we have reached the ultimate; I think that there will have been mistakes that we have made. I think that with the help of the debate that's taken place we've got a better bill than when it was introduced in the House, but I believe that it is a good bill. And I do not believe, despite my admiration for the ingenious strategy,

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(MR. GREEN cont'd) that you will scare the farmer of the Province of Manitoba into thinking that this bill will hurt him. This bill is not applicable to the farmer of the Province of Manitoba, there is no intention to make it applicable, and if you took Henry George and made it applicable to the farmer of the Province of Manitoba and did it - I'm not talking about this bill, I'm talking about the single tax - the farmer of Manitoba would be the greatest beneficiary of it.

MR. CHAIRMAN: Bill be reported? The Honourable Member for Riel.

MR. CRAIK: Mr. Chairman, a few remarks at this stage of this bill. First of all, the Minister of Mines and Resources says that the Member for St. James introduced the idea of applying this to the situation of a farmer paying taxes and it was done because the Opposition knew that the tax as applied to mining was a reasonable tax. Mr. Chairman, that's not the case. We don't know that the tax on the mining industry is a reasonable tax. The tax as applied to a farmer is a reasonable application based on the earlier remarks of the Minister of Mines and Natural Resources. Therefore the analogy was made, and is a legitimate one, because until you compare taxation to something in an area that you understand, it's difficult to actually put the entire thing into perspective. But we don't know that this tax is reasonable because, as we added it up before, we could with the incremental tax be in a position where the tax on a mining company was in excess of 80 percent incremental tax rate.

Now if that's the case, we don't think that that rate of taxation would be equitable applied to any normal industry or any individual. I think that the highest rate of individual taxation by the federal scale goes somewhere of the order around 60 or 65, and that's a maximum upper limit. I think the industrial tax rate is about 50 percent. I think it's a flat rate. After you reach in excess of \$100,000 of profit you fall into that category of about a 50 percent tax rate and it stays there. But under this bill, as far as we know . . . Now here's one of the difficulties. Although it has been raised, we still don't know what the specific cases are for the application of this tax. We don't know specifically, other than one example that was done by one of the investment houses - Burns Brothers and Denton, who did a runthrough of one example based on assumed information because they didn't even have the exact information - we don't know what the specific cases are for application of the combination of royalty tax and federal income tax and provincial income tax. What happens when you add all three of those together? I think that logically we probably should have been provided with that sort of a breakdown as a first requirement of asking a member of the Legislature to pass some sort of judgment on tax.

Now if you're talking an 80 percent tax rate on profit, that doesn't mean that the company being left with 20 percent is making a 20 percent return on his investment, by any stretch of the imagination. It probably means that he is making somewhere around 3 or 4 percent return on investment because the company's profit to begin with is only a percentage return on investment, something in excess of 18 percent return, and then if the governments, federal and provincial, through income taxes and royalty taxes, take a tax that is 80 percent, or somewhere in that range, of the profits over his 18 percent return on his assets or whatever it's called after we've finished with these multipliers, then he's probably looking at a return on investment at 3 or 4 percent. I don't think that the government would even treat a company under the Public Utilities Board that harshly.

Now our problem in looking at this bill is . . . and I can always tell when the Minister of Mines and Resources begins to get concerned about what battleground should he assume this time in order to get after the Opposition. Well, in this particular bill, in the last major debate on this, he took the tack that he should prove as fully as possible that the Opposition was really representing the interests of the mining companies. So he developed this theme "Simon says." You know, "Simon says taxes are too high." The Free Press gets up, the Tribune gets up and the Opposition gets up. Simon says something else; all three of those establishments, including the Opposition, get up and parrot the same thing. Well, that's a lot of unadulterated nonsense.

MR. DILLEN: That's true. That's true.

MR. CRAIK: Let me tell you that the position of the . . . Well, that's true. Well coming from an authority like you, I should retract that statement, shouldn't I?

MR. DILLEN: That's right.

MR. CRAIK: Let me tell you, Mr. Chairman, that we've been presented here with amendments to this bill, you know, and we've had three or four hours to look at them. We don't fully understand them. We've gone through them as adequately as we possibly can. We

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(MR. CRAIK cont'd) asked for a meeting where, particularly, people could come that do work in this complicated arithmetic every day, to present some sort of a give and take so that we could then glean some well-informed position out of. But we have to base our position basically on what we can glean out of it ourselves, and our purposes in representing the argument we represent is that we think it's important to maintain a healthy private sector. And it doesn't matter whether it's mining or farming, or whether it's another industrial undertaking or whatever it may be, we think that the importance of retaining and encouraging a good private sector will bring returns to the people who own the resources in the first place. And if you keep the carrot out there with an equitable set of laws and tax returns that are required by the people, that end will be achieved. And that's what we're after.

I resent the fact that the Minister of Mines was so cornered he had to stand up and develop this argument: You know, "Simon says," so he stands up and says it. Well that just shows you how really biased the government has become. They get cornered into the position . . . When all else fails, they try and identify the Opposition with a group that they think is indefensible. You know, that's clearly their maneuver. They want to try and identify us with a group that is reasonably indefensible, and I readily admit the mining industry itself has rendered itself in a position over the decade as being a reasonably indefensible group. They are. Whether it's because of their own making, whether it's because of common attitudes towards mining, whatever it may be, they're not in a very nice position. They're in a position that they, I think, must realize is difficult to defend. And I don't say it's just in Manitoba. I think it's probably not restricted necessarily to Manitoba; it's probably all over Canada. It may be all over the world. They're big outfits that normally work in the, well, in the hinterlands of the areas where they carry out their enterprise. They live unto themselves. They create an image that is not an image of participation in the population centres that do the voting in the province. That's the case. They're a reasonably indefensible group.

So it's very easy for the Opposition, when they stand, to pass legitimate cross-examination of the government's proposals with regard to taxation in this particular area, when all else fails identify the Opposition with the indefensible. Fair enough. You've done it. But I'm telling you that we stand here to defend. When we defend the mining industry and when we defend generally the position of a fair and equitable tax scheme, whether it's the mining industry or any other industry, or if it's individuals, the individual taxpayer, the corporate taxpayer, it doesn't make any difference, what we're trying to do is argue for a position that if you have a proper tax structure and you keep the proper incentives there, that the people will get the return. They'll get the return. You're not going to get a robbing of the resource by these barons. The Minister knows that. He changed Bill 82 last year. His husbandry conditions this year are different than they were last year. He knows that the husbandry part of it is not a real problem. That has been changed. What are these people doing? You're trying to get a fair return for the resource that is non-renewable, that you take from the ground, and you do that - this bill does - by posing a taxation on income. Essentially it's an income tax but you call it a royalty tax, because you want to get paid something in addition to normal taxation for that that you take out of the ground that can never be replaced again.

Well, Mr. Chairman, I come back to the simple fact here that I think that we should have had before us, and which we don't have, is a scale that tells us historically what this tax rate, included with the federal and the provincial industrial income taxes, what does this do in total? You know, a one-page, two-page description. What is the impact? You only have a handful of companies in Manitoba. Three majors, maybe four, a half a dozen more - probably a total of ten would cover 95 or more percent of all the money that is brought in by this taxation scheme and I think that we should have had it in front of us. But our information, based on what we've seen so far, is that we are looking at tax rates in the 80 percent range. We think that when you get into that range, they're punitive. We think it takes the incentive out of development. We think that more latitude is arrived at. We think that when all the smoke has cleared, with those incentives, the people will end up one way or another with more return. So we have no hesitation, we're not in any way caught in the position that the Mines Minister seems to think we're caught in in not supporting his tax bill of apologizing to anyone. We think that there are ways and means of providing the incentives that give the people of Manitoba the return that they deserve and will get from the mining industry without going to punitive tax rates.

So, Mr. Chairman. I didn't have very much more to say at this time. This bill has been

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(MR. CRAIK cont'd) debated at great extent. I have one further question that I don't think has been answered but is also important to this bill although it's not part of it, and that is, has the Provincial Government decided to lift the 15 percent from the Federal Government and has that been made a formal and official policy that has been formally announced?

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I indicated in the House this is not relative to the bill, that we would eliminate the compensation scheme and not pick up the 15 points. That will be done by the Minister with the Income Tax Act and therefore, the 15 points will not be picked up because we did not see that as being a crucial issue.

MR. CHAIRMAN: The Honourable Member for Flin Flon.

MR. THOMAS BARROW (Flin Flon): Thank you, Mr. Chairman. I'd like to say a few words about the tax bill in support. We've heard from a lot of different members of different trades and different occupations and I think possibly the three northern members who have mines in their area should say a few words and our speeches are a little different from the Opposition speeches. I think we can say more in five minutes than they can say in twenty minutes.

I was worried about this bill, Mr. Chairman, when they come out in support of it. The company supporting this bill, had me very very worried until they come out in reverse. Then I knew the bill was a good bill. I will give you an idea how the company works as a person who is familiar with their tactics. Now they don't like our government. They're not for us, they're against us. But, as guests on the opening day, we had two staff - Wayne Johnson, Jim Connors, personnel people - company pimps if I may say the word - to come down here on a fishing expedition, Mr. Speaker, a fishing expedition to find out all about this bill, and they were guests of the Member from Minnedosa, a bank manager who works hand-in-glove with the company. The company give it out and they take it away. Royal Bank and Household Finance, very similar, you can invest your money at 7 percent and borrow it at 12. Just a little better. --(Interjection)--I beg your pardon?

A MEMBER: How come their own member wasn't invited to the opening?

MR. BARROW: I have nothing to do with that class of people and you're included. I don't believe in discrimination but I do draw the line. They were guests of the Member for Minnedosa and they wanted to know about this bill, Mr. Chairman, and as the Member for Flin Flon, they asked me what I thought about it. I said I don't know what the percentage of this bill is, I don't know the intricate - I think that's the word - details of the bill, but if it's 35 percent, 45 percent, it should be doubled. So they didn't have any more to do with me during the opening, and for that I'm thankful.

Now you talk about the Whitney interests. Let me give you an idea how they operate. When Whitney was in charge it wasn't a bad place to work. They had a paternal fatherly attitude towards people which wasn't conducive to a miner who's proud of his manhood, but they would pat you on the back and they would do this for you and that for you, and once a year he would visit, and before he visited, Mr. Chairman, they would spend three months making the level more attractive, putting up more lights, make a nice place to walk, new ladders up in the working place, two miners with two new machines, brand new . . . waiting for three months till he inspected. And when he saw that place, he thought he saw the mine.

I'll give another example of how they operate. He's a sportsman, he likes to hunt moose, so they get this trapper or this guide who knows moose country and they would get some poor old cow that was there in their limited area, and he would cultivate that cow, be friendly with it for a month or two, and then he would take Mr. Whitney out and Mr. Whitney would shoot that moose, and he was a sportsman. This is the attitude of the company, and our thinking is so different from yours regarding this company. We believe they should pay a high percentage of the profits, you think they don't, and for that reason, we're sitting over here and you are sitting over there. Now if we follow this further, and we will, the next election. I don't have to campaign. I don't have to knock on doors.--(Interjection)--That's two of us. But what I will do, I will give a letter to the editor of the local paper, one to CFAR, of the performance and safety in mines, and as long as I live, the Member for Lakeside will never forget that - "production ahead of safety." And that's your same attitude with this company paying a fair return of taxes.

Let me go a little further. Let's take a look at the Kierans Report, a former Liberal, a

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(MR. BARROW cont'd) report that I really was in love with, let's do it. Or let's go further - the Member for Crescentwood, Mr. Gonick, spoke strongly in favour of the report. And I would have gone further with that report. I'd put them on the same system they use their miners. If they make \$45 million, which they do on a badger, we will give them a bonus - as they hold that carrot in front of a miner. The member mentioned that carrot . . . that's how they operate, the bonus system. And we will take two-thirds back for the people. So that's working on a 66-2/3 split. And if I was running this government, that's the way it would be.

The Minister of Labour, let's get a little inkling how they operate. During that seven months strike or five months strike, whatever, they used every dirty tactic in the book to force people back to work, and at last they started a rumour: We can't operate. We are going to close this mine down. You people will be out of work. And I was a little upset to my colleague, the Minister of Labour, who has his faults, but being frank and honest, and militant is one of them, and when they said they'd close the place down, he said, "Fine, we'll take you over. No more talk, no more." That was the end of their . . . I won't use the word, it is often found on the end of a cow.

We believe, we believe on this side of the House, or I believe, I won't speak for the whole House, but I think I can speak for most members, that the profits from these mines, these corporations, who when they stop, when all is done, they leave, they don't care about those people who are racked up, who suffer from silicosis, who are burned out, who spent the best part of their life underground, wet, dirty, rheumatism, arthritis - they don't care about that. They move out. So we owe them no loyalty. But here's where the profits would go - they would go to the people, and we would use them to benefit miners, to make life better for them after their days of work. We'd also put a big percentage of this into the native problem and help people. We'd even help the unsuccessful farmers that you rave about. We wouldn't give them \$100 a cow or \$40 million, which you approve of and I don't, but we would help them through profits, illegally, dishonestly, or any tactic, taken from people who earn them.

Mr. Speaker, I get carried away on this speech, I could go on for many hours. I have facts and figures, I can give you examples of the utter inhuman attitude of corporations towards people they won't recognize on that side. I would say, if I was a frank, outgoing, extrovert type, that you are gutless people, and you are. But let's leave that because I know these two other members want to add a few more words of wisdom, and with those few words, Mr. Chairman, I think I've expressed myself to the best of my ability. As you know, I believe in being brief and to the point, and thank you very much.

MR. CHAIRMAN: The Honourable Member for Churchill.

MR. LES OSLAND (Churchill): Mr. Chairman, I'd like to say a few words on behalf of my constituency in Churchill. I'm breathless after what the Member for Flin Flon just delivered. But I have a small follow-up with regards to two mines that are in my community - one that is, I think they use the expression "tailing out" in the mining industry - which is Lynn Lake, which is coming to the end of the road and the ore is going dry. The other one is Rattan Mine at Leaf Rapids and it's just starting out.

At this point in time in Lynn Lake - and I've just received a letter on this, a long one, asking what I was trying to do, how I was representing the town of Lynn Lake and how they were going to carry on after the mine closed down. And of course, we're now looking at it in 1975 and we really have no more ore in the ground, we really haven't got that much of an economic base left with us to really look down the pike from this point on. This should have been done in 1945 or '49 when they were starting it up.

Leaf Rapids is in the reverse position of course and at this point in time we can't really prove what we have done there is going to be the right answer. We certainly think it is. We have great hopes for it. We have a town that is a very modern town. It's going through a lot of growing pains as far as people are concerned. It's a new system of taxation as far as the mines are concerned and we hope through the fact that we are able to tax the mining company as any other group within our community would be existing, that we will be able to tax them and therefore carry not only the day-to-day burden of running a town of this size, but also look down the pike and kind of prepare for days when this resource will disappear from view.

One of the points that the Member from Riel was mentioning about incentives being given to corporations and that in this way they would develop and therefore there would be a return to the people, I find this in the case of these two towns is an absolutely - it isn't working. Lynn

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(MR. OSLAND cont'd) Lake is a living proof of the fact that we didn't tax enough. Sure, they put in the capital cost setups as far as schools, building the town and so on, so forth, but the ongoing expenses is what is breaking the town now and our school teachers - we want the best school teachers in Lynn Lake and in the North for the kids and we're not able to pay the price, we're not able to give them an incentive at their level; and of course, we've given all the incentives to the damn mining town as a mining company. What's left over for such things as school teachers and the people that we need brought in there to perpetuate the town of Lynn Lake and to make it not just reliable on the mine but why weren't we diversifying way back in the past so that at this point in time as the mine was phasing out other things would be phasing in.

This is what we're hoping to do and this is what I've been promoting myself as far as Leaf Rapids is concerned. We've got every chance right now to lay the foundation so that our kids that are now little ones in Leaf Rapids, 20 years from now will have a way of staying right there in Leaf Rapids in the North and making their lives there. This, I think, is going to have to be the criteria. How do we catch up on all the money that has been allowed to leave our province? The ore is something that's going to run out - it's ours, yet we gave it away, and if we didn't give it away, we certainly sold ourselves pretty darn short. Now all of a sudden the fat is in the fire, we're up against a place like Lynn Lake going belly-up and now I'm fighting to try and get the government to try and put supports underneath it, try and keep the thing going, even if it's an emergency support at this point in time. I'm trying to promote the idea that it's a hub for the Northwestern corner. And it is a hub, it sits right in the middle surrounded by Brochet, South Indian Lake, the Saskatchewan side that sits in on us, it's surrounded by small villages and if this can be utilized I think we can use some sort of a base underneath it. I don't know just how it can be done, but I'm certainly sure that if we can look at it with a wide-open perspective, that there will be answers found, and I just hope that in the next few years that Lynn Lake will be able to hold the status quo there at the moment and possibly really put the thing on a sound basis and keep it going. There's a lot of people have got homes there, they've got small businesses, they have no intention of leaving the north. Miners have been there for 20 years and they've no intention of leaving and therefore, I'd just dearly love to see if we can't find some way of economically doing it and keep the town on its feet.

Leaf Rapids, I think that right now with the new legislation where the townsite has been given more authority under its advisory council and the promotion from the Minister of Municipal Affairs to take more of the reins in their own hands and start making their own decisions and with the ultimate hope that they're going to become incorporated, I think that this town is going to be looking at an altogether different situation in 20 years. I'm sure that out of it all, we're not being too hard on the mining companies. It is a progressive tax, it is the type of tax that when they are reaping a lot of profits that there will be more taxes paid and in the years that hit them, when it's tougher times, they'll be paying less. So I would like to add my voice in support of this tax at this time. Thank you very much, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Thompson.

MR. DILLEN: Mr. Speaker, I would like to rise in support of this bill as well and join my colleagues from the North that come from constituencies where mines are situated. It wasn't very many years ago, and I think just more and more coming to light now, the tremendous ravages of human waste that is being developed around mining communities. One only has to look at the situation in Quebec in the asbestos mines where many many people are at the present time suffering from asbestosis and silicosis, all of the other things. At the present time, in the Northwest Territories, I'm advised that people are becoming ill and are dying as a result of drinking water that is polluted with arsenic waste. We have a situation developing in Elliot Lake that has developed over the past 15 years where after 15 years, miners are now showing signs of cancer growth in the lungs as a result of being exposed to the silicosis and radiation from the uranium mine.

I think the point I'm trying to make here is that, you know, it's extremely amusing to find the Conservative Party in Manitoba, certainly throughout Canada, crying when the mining companies are being asked to pay a fair rate of return for the privilege of exploiting or removing ore that is owned by the people of the province from the ground. All of these costs, the costs in social welfare, in medical facilities, in all of the numerous things associated with the numbers of people who are affected by the mining industry as a result of working in that

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(MR. DILLEN cont'd) very dangerous hazardous to the health type of an industry are being borne by the people of this country and in my opinion, the mining companies are not paying a great enough share of the cost of supporting the results of their activities.

It wasn't too long ago where there was a campaign carried right across Canada - I think there was full-page ads in every major newspaper in Canada - that said something to the effect, "Doesn't anybody out there give a damn for the mining companies"? And you know, really, when one views the history of the mining companies and the mining industry throughout the world, it's not much wonder that their campaign to attempt to get public sympathy and support for them was a dismal failure.--(Interjection)--Right, it fell on deaf ears throughout this country. And the same pleas that are coming from across the other side of this House at the present time in support, in an attempt to gain sympathy for the mining companies is also falling on deaf ears, and it's falling on deaf ears throughout the Province of Manitoba. I don't care what sector that you happen to be in, there's nobody that believes that mining companies should not pay an amount of taxation that is at least close to what an individual pays in individual income tax.

So with those few short words, Mr. Chairman, I want to say that as the Member for Thompson, I'm certainly in support of this bill.

QUESTION put, MOTION carried (on division).

MR. CHAIRMAN: Committee rise. Call in the Speaker. Mr. Speaker, the Committee of the Whole has considered Bill No. 16 and has directed me to report the same with amendments and ask leave to sit again.

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IN SESSION

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

MR. WILLIAM JENKINS (Logan): Mr. Speaker, I beg to move, seconded by the Honourable Member for Churchill, that the report of the committee be received.

MOTION presented and carried.

THIRD READING - BILL NO. 16 - THE METALLIC MINERALS ROYALTY ACT

MR. SPEAKER: The Honourable Minister of Resources.

HON. HARVEY BOSTROM (Minister of Co-operative Development) (Rupertsland) presented Bill No. 16, the Metallic Minerals Royalty Act, for third reading.

MOTION presented.

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

MR. HARRY GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. Mr. Speaker, I choose to speak at this time on this bill because of something that I feel is happening in the Province of Manitoba, something that I brought to the attention of this House two years ago, and it's a very basic principle that I feel is being eroded in legislation that is being passed in this House and other Houses throughout Canada. I refer, sir, to what I like to call the "onus of proof", a very basic principle that is inherent in the British system of justice and which now seems to be changing. Where we always thought a person was innocent until proven guilty, we now find that in many cases, they're told they're guilty and then they have to prove they're innocent. I think that we can see in this bill probably a greater degree of the use of that technique, which I realize in a taxation measure in many cases has to be used, but again, I want to raise the issue now for the whole House to consider, and for Ministers of the Crown to consider in particular, because they will be drafting further legislation in the years to come.

I want to refer in particular to Section 36 (3), and I will quote the words there which says, "The onus of proving otherwise rests on the operator", and then, sir, we find innumerable cases throughout the Act and throughout the amendments that came on this Act words such as "shall be conclusively deemed." And I bring this up now, sir, because I feel that the Minister of Mines and Natural Resources, who is a great parliamentarian but also a very learned member of the Law Society, who I think, sir, would like to see the British system of justice preserved at all times if it is possible. So I just raise this at this time, sir, because while I'm not trying to pick holes in this particular Act, I just want to raise the issue because we see these terms arising in various pieces of legislation and I would urge the government, again, to consider that basic principle of the British system of justice where the "onus of proof", in my estimation, should lie with the Crown and not with the individual who is being charged.

MR. SPEAKER: Pleasure of the House to adopt the motion? Agreed? On Division?

MR. GREEN: Well, Mr. Speaker, if we're going to have it on division . . .

MR. SPEAKER: The Honourable Minister of Mines. Call in the Members.

Order please. The motion before the House is the adoption of third reading of Bill No. 16, the Metallic Royalty Act.

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

YEAS

Messrs. Adam	McBryde
Axworthy	Malinowski
Barrow	Miller
Bostrom	Osland
Cherniack	Paulley
Derewianchuk	Pawley
Desjardins	Peturrson
Dillen	Schreyer
Doern	Shafransky
Gottfried	Toupin
Green	Turnbull
Hanuschak	Uruski
Jenkins	Uskiw
Johannson	Walding

NAYS

Messrs. Banman	F. Johnston
Bilton	Jorgenson
Blake	McGill
Craik	McGregor
Ferguson	McKellar
Graham	Minaker
Henderson	Spivak

MR. CLERK: Yeas 28, Nays 14.

MR. SPEAKER: In my opinion the Yeas have it, declare the motion carried.

BILL NO. 28 - EMPLOYMENTS STANDARDS ACT

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, will you call Bill No. 28, please.

MR. SPEAKER: Thank you. Proposed motion the Honourable Minister of Labour. The Honourable Member for Sturgeon Creek.

MR. FRANK JOHNSTON (Sturgeon Creek): Mr. Speaker, I adjourned this bill for my colleague, the Honourable Member for La Verendrye.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. BOB BANMAN (La Verendrye): Thank you, Mr. Chairman, I have several brief comments I would like to make before we pass An Act to amend the Employment Standards Act, and I think there is several things that should be pointed out at this time concerning this bill.

Number one, I think it should be of interest to the Minister of Consumer and Corporate Affairs, and it should also possibly be of interest to the Minister in charge of the Manitoba Public Auto Insurance, because I think although we're creating a desirable thing by reducing work hours, I think the other side of the coin has to be looked at also. I appreciate that for the betterment of the labour force in the province we are going to reduce the work week, especially in the service industries, but I think that it should be pointed out that we as legislators here in the Province of Manitoba by passing this type of legislation are in effect creating an inflation problem right within this House because, in effect, what we are doing is we're dropping the four hours off the work week and still maintaining the same amount of pay, which means that, especially in the service industries, what will happen is that the productivity that has been achieved by 44 hours of work will be dropped to 40 and still there will be no cut in pay.

Now what relationship, you might say, will this have as far as the general consuming public is concerned. And I would just like to point out to the Minister from Autopac if, for instance, a shop is on a 44-hour work week and the body man is receiving \$5.00 an hour, under this new legislation he would then be receiving \$5.50 an hour, a 10 percent increase. The rule of thumb when operating a body shop, and I'm sure the Minister probably has been presented with these figures by different people that he's involved with regard to the negotiation of rates as far as the repair from the body shop is concerned, that you multiply that by two and a half times, which means that the increase in the retail labour rate will be about \$1.25 in this example that I quoted.

I think that this has to be pointed out at this time. As I mentioned, this is one of these issues that I think is beneficial to the people that are employed in the different service industries and something that is desirable as far as they are concerned, but I think that we should also turn over the other side of the coin and point this out at this time. I think the thing that concerns not only labour as well as industry is the productivity problem which we are facing in Canada right now. When we note that in Hong Kong they're welding dials for TV sets for \$4.00 a day and we're paying in excess of that in one hour, the question becomes, I think, paramount that we have to ask ourselves; how long can we continue before we price ourselves out of the market with regard to manufactured goods? I think this is a question that not only the business community is concerned about, I think it's vitally important to the labour people also, and I think it was pointed out yesterday in the Manitoba Advisory Development Council that presented their study yesterday, and it goes into great depths as far as the labour problems that we are having and the problems of productivity

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(MR. BANMAN cont'd) along with the problems of exporting commodities or importing commodities, and I guess we all sort of wonder will we be able to maintain our markets abroad with the increased costs that we are generating and with the decrease in productivity.

Now I'd just like to point out also, I did a little bit of checking and our retail labour rates with regard to Autopac, for instance, I think we are now about at par with what they're paying in California. I notice in California that the retail labour rate paid to auto body shops that are repairing cars is about \$12.00 an hour now. We're approaching that very very rapidly, and I don't know - of course, you'd have to do a study as far as the productivity that's involved. Now we run to the West Coast, of course, where the Minister says from his seat, "How about 20?" We run to the West Coast; we're looking at about \$20.00 an hour, and I appreciate that. But I think the people involved in service industries, the people that are buying these services, should be aware of the fact that an increase will take place by this type of legislation, and it is to a certain extent an insulatory thing.

The other thing I would like to urge them - and I direct my comments to the Minister here - in the service industry there's been several changes, and I know the Minister's aware that there are some experiments in Winnipeg right now with people working 12-hour days and a 3-day week, and I would ask the Minister to be flexible. Where an employee feels that he would like to work under these particular circumstances, whether it be a 10-hour day and work for four days a week, and the employee as well as the employer agree to this particular arrangement and arrive at a mutual understanding on this particular aspect of the job to be done, I think I would urge the Minister that he would provide a certain amount of leniency with regard to this matter. I know that right here in Winnipeg, as I mentioned, some of the industries, especially the automobile industry, is trying an experiment where they work a 3-day week and 12 hours a day, which means that, if you rotate, it gives the employee a substantial time off, sometimes as much as a week. So I would urge the Minister to have an open ear for that particular concern that has been expressed to me by labour as well as by management.

So, Mr. Speaker, with those few words at this time, I would commend the bill to the committee.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Mr. Speaker, it was not my intention to speak to this bill but, in the absence of my colleague the Member for Assiniboia, who has had a longstanding interest in this question of a 40-hour week, he asked me if I might pass on to the House certain of his own feelings because he will be unavailable or not able to present the views of our party on this particular issue, and in so saying, Mr. Speaker, I would want to acknowledge the fact that over the past four or five, six years I believe it is, the Member from Assiniboia has presented resolutions to this House asking it to recommend and support the notion of a 40-hour week, so it is something that this particular party has been long identified with and certainly have no reservations or hesitations about supporting the proposal being put forward by the Minister of Labour in this amendment. We think that it is a very necessary, very important, and in fact could become a very productive kind of venture.

One of the economic facts of life, Mr. Speaker, that I think it is important to note, is that it is almost axiomatic that when the work conditions are upgraded and improved it almost automatically follows that the productivity of workers is improved along with it, and so when the Member from La Verendrye expresses his concern about productivity, we would suggest to him that one of the ways of improving productivity of workers is to provide both for increase in minimum wages as well as to decrease the number of working hours, and that time after time this has shown to be a major and essential kind of improvement in the general stand of labour.

The Member from La Verendrye referred to the study put forward last evening by the Economic Development Advisory Board, which talked about manpower supply and, Mr. Speaker, if I may be allowed to say so, I couldn't have found that report more to my liking because it simply confirmed what we have been presenting in several resolutions to this House since last February, so it's nice to see that the experts of the government who have been researching this come to the same conclusions. Now if we can only convince the

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(MR. AXWORTHY cont'd) government, then we may find a better manpower policy. But in this respect, Mr. Speaker, the one important facet that came out of that report as well, is that the productivity of any economy is related to the ability to attract high quality manpower, to retain them, and to increase and improve skills, and that is very much a function or a result of the acceptability of the work place and it certainly appeared, Mr. Speaker, that the question of a 40-hour work week is a major factor in improving the work environment.

We should mention, Mr. Speaker, that this bill has a particular importance because it affects the working conditions of those who are often unable to protect themselves. It's probably quite true that at this stage most of the workers who are in organized unions and who have the power and leverage that collective bargaining endows to them have already obtained the 40-hour work week. This particular bill in a sense will provide the leverage of the Legislature to ensure that those who cannot gain those advantages through collective bargaining because they are unorganized - and that represents a large number of workers in this province - will be able to gain the same advantages as those who are already organized. So in effect, Mr. Speaker, this bill is primarily designed for those workers who are in the unorganized industries and in many cases happen to be on the lower income scale.

I should also point out, Mr. Speaker, and report to the House what I think are important sets of statistics that the Member for Assiniboia, I believe, read into the record of this House about two years ago, because one of the major side benefits of this bill should be to substantially enhance and improve the income of lower income workers, because one of the sets of statistics that the Member from Assiniboia developed, which are I think of some interest, points out that many of the workers who are presently working on the 44-hour agreement do not have the ability to get the time and a half that would be available to them on a 40-hour work week. They point out that, for example, in certain capacities, certain occupations of the automotive trade, that amounts out to an average of some cases \$88.00 per month and other cases \$32.00, in other cases over \$100, and that in fact the average additional income that would be derived by removing automotive workers down to a 40-hour week, when you consider they will be paying time and a half, averages out to about \$898 that will be going to the worker in this case instead of the employer. The same thing is true in the service industry where the average will be close to \$1,000; the same thing is true in construction workers. In fact, what we're simply saying is that this bill, aside from improving work conditions, is also in a small measure a way of redistributing income and making sure that the work itself is being paid for on a time and a half basis as opposed to a straight basis. So it should have the result, Mr. Speaker, according to the statistics developed by the Member of Assiniboia - and I want to ensure that he gets full credit for them because they're not ones that I myself was able to provide, that I was simply using his - demonstrates that it will provide for a better pay scale for many workers on the lower income area. And I would simply say, Mr. Speaker, for those in this House who might thereby be concerned that in fact this will be of some detriment to small business in the province, I would remind them of my initial statement that it's been proven time and time again, contrary to popular opinion, that these kinds of conditions which improve and make for a more satisfied worker will in fact result in better work and higher productivity in those areas and probably end up in having a better business operation than the one that was there before. So, Mr. Speaker, I can only say that we see this bill on employment standards on this area, on the 40-hour work week, to be one that is fully acceptable.

I would, however, Mr. Speaker, like to raise some questions about the second part of the bill dealing with the problem of equal pay. The Minister and I had occasion to exchange some words about this during his estimates, and I don't need to repeat my argument, but the only thing I would ask the Minister, to explain - when this bill comes into effect, as I understand, it's repealing the old Equal Pay Bill and will simply be an additional set of sections on the Employment Standards Bill - and the question that I would raise with the Minister is to what degree he sees a more effective enforcement of the equal pay requirements, that certainly the studies that have been done, not in this province because I don't believe one has been done here, but one that was recently completed by the

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(MR. AXWORTHY cont'd) Department of Labour in Ontario, showed that, in part, equal pay laws are no more than window-dressing because the greatest difficulty is in the enforcement of those laws, and any attempt to try to ensure that there is identical pay for identical work falls down simply because the enforcement . . . are either unenforced or so awkward that they are not enforceable, and the spelling out in here is that we will be subject to the same conditions of the Payment of Wages Act, but I would hope that the Minister could provide us with some greater explanation as to how he would see the enforcement of the equal pay provisions carried out and provide some commitment, as I know that he's prepared to do, on the zealous pursuit of the enforcement of equal pay standards to see if in fact the law will not simply be one of those statutes that simply sit in the books so that we can say it's sitting there, but will in fact become an active part of the law of this province.

MR. SPEAKER: The Honourable Minister of Labour shall be closing debate.
The Honourable Minister.

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): Mr. Speaker, during the discussion of the proposition to amend the Employment Standards Act, we have heard one or two very interesting comments from members who have spoken in the debate. I want to say forthrightly, Mr. Speaker, that while I'm the Minister of Labour in this administration I will not recommend the suggestion made by the Honourable Member for Fort Garry that exemptions be contained within the Act to certain industries by group. Once you start that sort of an approach, in my opinion, you really undermine the whole effectiveness of legislation. My honourable friend the Member for Fort Garry - and I'm sorry that he is not here - pointed out in no uncertain manner that he was referring specifically to the garment industry as being adversely affected insofar as minimum wages were concerned, because he did relate - and there is a relationship, I've stated so previously, there is a relationship between the hours of work and the minimum wages. But I want to state firmly that, as far as I'm concerned, and I'm sure that I talk for the administration, that we will not try or we will not introduce legislation exempting the so-called poor industries, or the lower paid industries or the industries that haven't really got much control, the workers haven't got much control insofar as their hours of work are concerned.

As a matter of fact, Mr. Speaker, the reason that we have any legislation at all in the field of labour, I suggest, is not directed to good employers but to poor employers, and that is the reason for the legislation. That is why it's necessary, in my opinion, Mr. Speaker, to have an Employment Standards Act that sets minimum standards, and they're only minimum standards, and this is what some of my honourable friends seem to overlook. We're not attempting in this legislation to dictate what wages shall be as referred to by the Honourable Member for La Verendrye. He quoted in his remarks some mechanics who are engaged in the auto repair industry, I believe at \$5.00 an hour, and then he related the reduction in the standard work week from 44 hours to 40 hours, that that would mean that their salaries or wages would automatically go up by 10 percent to \$5.50. That's erroneous, Mr. Speaker, because the only control that we have, as far as the Assembly is concerned and as far as the regulations to the Employment Standards Act regarding wages, deals with a minimum wage that is applicable to everyone regardless of whether they're organized or unorganized, and if a person is earning \$5.00 an hour at the present time, we're not going to say that automatically that person by virtue of a reduction from 44 to 40 hours as the standard work week must automatically receive a 10 percent increase. I would like to have brought in a bill accordingly, Mr. Speaker, so that it would have been that way, but after due consideration it was decided that, instead of doing that, we would give more consideration to a possible increase in the minimum wage, which incidentally, Mr. Speaker, is under review by the Minimum Wage Board now. They have called for briefs; members might have noted an advertisement in last night's paper requesting briefs. So I say that going from the standard work week from 44 hours to 40 hours does not affect the wage structure as such, and when I introduced this bill, and again I want to repeat, I indicated that adjustments might have to be made, so that in effect this legislation does not reduce the minimum wage in Manitoba . . . those who are recipients only of the minimum wage.

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(MR. PAULLEY cont'd)

My honourable friends opposite - in this regard I'm referring to the members for Fort Garry and for La Verendrye - bring in the problem or the question of inflation: how inflationary can the Minister of Labour be, or this administration be, when we're suggesting a reduction in the standard work week from 44 to 40 hours. Who are affected, Mr. Speaker, but the very people who suffer the greatest and are suffering the greatest as the results of inflation - the lower paid worker, the worker in the garment industry, the worker in the hotel industry? They're the sufferers, Mr. Chairman, of the effects of inflation, and these are the people that the Honourable Member for Fort Garry and the Member for La Verendrye are crying tears about today. I say these people are needing protection and that is the reason why it is necessary to bring in legislation of this particular kind.

Another point, I want to point out that there is one other area where we do have some control after a report of boards, is under the Construction Industries Wages Act. Here, minimum wages in the construction industry are set after deliberations are held between management and labour in respect of the construction industry, and then formal approval of the results of their deliberation is given by the Lieutenant-Governor-in-Council. So this will not affect them, even insofar as the hours of work are concerned.

So I say, Mr. Speaker, as far as I am concerned, there will be no elimination by an industry group of the provisions under the standard work week. There's nothing to prevent employers from working their employees 44 hours a week if they pay them time and a half for the additional time over the 40 hours after this bill becomes effective.

The Honourable Member for La Verendrye referred to a 10-hour day, or 12 hours per day. There is provision in legislation at the present time for a five-day work week containing at the present time 44 hours of work a week, that goes over the standard 8-hour work day, but that can only be done providing there is agreement by the Labour Board. So I say, as far as this bill is concerned - and I might say the Honourable Member for Fort Rouge paid a tribute to his colleague the Member for Assiniboia in fighting for this - heck, when I was across the way a few years ago, the same battle was going on and now we are successful. So I want to indicate that this is a progressive step, one that is long overdue, and I hope that it will be beneficial to the workers who are at the present time having to work longer than the 40-hour work week. I have no compunction, no hesitation, in recommending this bill and no crocodile tears for any of the lower paid industries. Surely they can fend for themselves.

I noted in a report, Mr. Speaker, a few days ago, that the entertainment industry or the hotel industry, the service industry, is having a hard job finding personnel in order to service the public. I suggest that the reasons for that, to a considerable degree, is that they, like the garment industry, are very low-paying segments of the industrial world, and the day is no longer here, in my opinion, where an employer can browbeat employees into working in intolerable situations and with miserly pay. They have gone. But notwithstanding that fact, Mr. Speaker, it is still necessary on occasion for governmental interference to try and make the lot of those who are not organized - and they are the ones who generally legislation is directed toward - have a little more, or a little fairer share, but still an unfair share as a result of their productivity.

We talk of productivity. Good Lord, Mr. Speaker, when we look at the situation of the people that we're concerned with in legislation of this type, they're producing, I would suggest, to the utmost of their ability and if they produced commensurate with the amount that they receive in turn for their production, I would suggest that they would be justified in producing half as much as they do at the present time rather than, as the Member for La Verendrye was worrying about, inflation and productivity in this area, where generally speaking those of us who are more fortunate haven't given due consideration. And I would suggest, Mr. Speaker, that even with the legislation that I'm proposing at this particular time, there are other steps that might be taken, might have to be taken, in order to make the lot better for those that we legislate for in this particular Employment Standards.

The Honourable Member for Fort Rouge asked the question: how better can we serve in the area of equal pay by bringing the Equal Pay Act under the Employment

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(MR. PAULLEY cont'd) Standards Act? I mentioned the other day the routine that has to be gone through on receiving complaints, etc., under the present Equal Pay Act. The objective of this Act is so that the same inspectors who are checking up on minimum wages as they go throughout the industry would also take a look at the sex of the employee in order to ascertain as to whether or not there is discrimination under the terms of the basics of the Equal Pay Act. That is the prime reason, Mr. Speaker, for my suggestion in the amendments to the Employment Standards Act and that, coupled with the laying of information, can be more automatic, may I suggest, under the proposal, so that those inspectors then, in effect, can be making the due reports and then the prosecution if necessary can take place following that. It eliminates another stage too, the reference to a referee which is in the Equal Pay Act at the present time, and it's hopeful that we will be able to speed up prosecutions if required under the procedure suggested.

We're also suggesting in the new legislation a new provision, which provides that where an employer is convicted for failing to comply with the equal pay provisions, the magistrate must, in addition to any fine he levies or she levies, order the employer to pay the wages found due. That wasn't there before. I've discovered cases where just a nominal fine was levied against an employer, say of \$25.00, Mr. Speaker, but there was no order following the fine for the payment of the wages due as a result of the . . . being awarded to the employee. So we're filling up that gap a bit at least. And then, as I said, I'm hopeful that in due time we will have a full labour code for Manitoba with all of the legislation in one binder. We did make a step forward in that regard in having our legislation in the field of labour now documented so it can go into one binder, looseleaf binder such as our statutes, so that changes can be made in the book from time to time with a greater amount of ease.

I'm glad, though, that the Honourable the Member for La Verendrye in his final words did say, or at least indicated to me, that the subject matter will be referred to committee, indicating that despite the reservations of the spokesmen for the Conservative Party, the bill will be progressed as it should be.

I think, generally speaking, Mr. Speaker, that answers questions raised, and it's given me an opportunity of presenting to the House how I feel about the necessity of legislation such as this, and it's an indication that even though the little fella does not receive fully just treatment, at least we're taking steps to try and assist, not in creating greater inflation, but assisting those people who are more adversely affected by inflation than those of us who have the honour of being in this Assembly.

QUESTION put, MOTION carried.

BILL NO. 44 - THE PLANNING ACT

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, would you call Bill 44 now?

MR. SPEAKER: Bill 44, proposed by the Honourable Attorney-General. The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I spoke briefly on Bill 44 last time it was up and the clock ran out, and I don't have a great deal more to say here. I said at that time that we support the idea of planning. What we're opposed to is the structure that is being created within the bill. So our alternative is to judge whether the good exceeds the bad in the bill and my conclusion is that it doesn't and therefore at second reading would have to vote against this bill, mainly because I think the structure is bad.

I want to say that I've worked in areas where there was poor planning legislation. I've worked in areas where planning legislation is I think over-imposing, and I think what's required . . . And I refer here, I've done work in the Northwest Territories where there is inadequate planning legislation and undoubtedly it will come to pass. I've worked in Ontario, and I think the Planning Act that was passed there is an over-imposition of authority of government, in the particular department that administers the Planning Act there, and I speak as a person who in both cases is on the end of the stick where you have to deal with the people that are administering, and I don't want to see Manitoba go so far as that they are creating almost a third structure in provincial administration, a structure

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(MR. CRAIK cont'd) that's in between the province and the municipalities but responsible primarily to the province, although I realize the municipalities are responsible to the province and are the creations of the Provincial Government. I think that this creates a hierarchical structure that is going to have pretty strong influence in deterring much of the good work that has gone on by the municipal governments.

Now it's not that we don't have planning capability in the province now. We know very well that the municipalities are getting together at the present time and forming planning areas, and are effectively getting done what they want to get done. But in that case the power still lies primarily with the municipalities that are doing it. But the structure of this bill is such that the repeated reference to the ministerial discretion and so on brings us to the position that, although we want to see adequate and good planning in the province, we don't think that this bill does it. Now whether it straightens itself out at committee stage, where presumably it's going now, we don't know, but at this position we don't think that the bill is supportable in its present form. So everything else, as far as I'm concerned, has been said on the bill and I don't really have any desire to extend the debate from a personal point of view beyond this point.

MR. SPEAKER: The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): Thanks, Mr. Speaker. When Bill 44 was introduced I was really very happy to see it coming in, because I thought probably this is what the people wanted. I had heard, when I was on the Land Use hearings in search of a land policy for tomorrow, that many people were concerned with land use in the years ahead. However, when it comes down to the reality of the things, this may be something like a group of people getting together and saying, well, when we're through we're going to go on a big party, or we're going on a fishing trip, but when you go to get the members to go and you say, "Well, now we want your money; we're going to organize this trip," there's only a few wanting to go. So it seems now that when this Planning Act has been brought out, there's many people who had kicked it around a little bit but really aren't quite satisfied to go with it.

I hesitated to speak in connection with it because I wanted to be in touch with the different municipalities in my constituency, and although I know that it was talked about at the municipal level during the summer and early in the winter, I found that there was different municipal people that weren't aware of it at all, that hadn't seen the Act, and that they did want some time to study it. In fact, these rural municipal councils only meet once a month. They wanted to discuss it in council. Maybe some of their representatives had been away at a municipal meeting before where it had been talked about. But they really weren't convinced that they knew what it was. Most of the rural municipal councils in my area were meeting yesterday, and I also refer to the Development Corporation in our area.

It seems that these people are now somewhat hesitant in the thing, that probably they should have done more work on it but they were too busy out in the field. They really haven't looked the bill over at all. They haven't really looked the bill over at all. Many rural councillors haven't really looked at this bill at all. It came to the Secretary and maybe the Secretary got in touch with the Reeve, but it actually never got into the Councillors' hands until just yesterday. There were some people that just saw that bill for the first time yesterday. So they were saying that while they were thinking that probably planning was needed . . . and I think maybe my area, for a rural area, might be one of them that may need planning more than other rural areas because we have two fairly large growth centres down there in the town of Winkler and Morden, and Carman is growing considerably too. And I visualize myself and my way of thinking about it that if we had a community planning centre set up it may take in these things and it may be able to recommend certain things such as irrigation or a diversion ditch for the Town of Carman, and that if they would be together in this sort of an idea that it would be very difficult for the government to turn them down. However, in reading the bill, and as they read the bill, pretty near every few lines it says that the Minister or the Executive Council has the power to veto. So they think, well, maybe this isn't going to help us very much either.

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(MR. HENDERSON cont'd)

I would hope that if such planning councils were set up, or organizations, that if they made recommendations they would strongly be listened to and that they wouldn't be vetoed by the Minister or by the Cabinet. Now these people aren't really against the bill, but there hasn't been one of them that's said we want you to proceed with it now. They said that we would like this bill explained to us more in detail. And I understand that there's meetings going to be going on in the next while and maybe you'll be able to explain it then, but then that will be after the bill has been passed. I'd like to suggest to you that this bill is going to have a lot of difficulties even under the best of circumstances, because when you get towns and organizations in certain areas trying to work together, there's still a lot of jealousy between municipalities and towns and it's going to be pretty difficult to make it work. So if by any chance you push it on them from the top down and then it don't work, you're going to be in more trouble.

Now I know that you have probably a better idea of this bill and how it should work than most any of us, and in particular the people who have helped write the Act, but you're still working with people who are human beings and who you depend on for your support. And I think that the proper thing to do with this bill is to leave it, set it off, or else to discuss it further with the municipal people before you go further. Because, as I was saying to you, there was people who yesterday only saw that Act for the first time and they don't want to go in on it that quick.

So this is the message that I'm getting from my community, and I've been in touch with them, that they don't want them to go ahead with it at this time although they're not really against the thing, but they are very concerned that the government might be, shall we say, leading them into some form of regional government or something, where they seem very concerned. And I haven't tried to use scare tactics --(Interjection)-- I don't know where they've got it but some of them seem to have it. And I would suggest to you people that if you would take this out and probably meet with three or four local councils at one time, where you could have all of them there to answer the questions, even if it is a form of, shall we say, regional government that you want to develop, if you can talk to them and talk to them as councils, then you'll get a better feeling and they'll have a better understanding of it. And I think myself that if you go ahead and rush this bill through, that the bill will be getting off to a difficult start and it will be a very difficult bill and cause a lot of resentments in the rural municipalities. So I would be very much in favour of seeing you delay the passing of this bill for some time and explain it to the local municipalities.

MR. SPEAKER: The Honourable Minister for Municipal Affairs shall be closing debate. The Honourable Minister.

MR. PAWLEY: Mr. Speaker, I wonder if I could move adjournment.

MR. SPEAKER: Very well.

MR. PAWLEY: And the bill stand in my name, Mr. Speaker.

MR. SPEAKER: Will the honourable member make a motion to that effect? Then we'll leave it that way on the Order Paper. I'd like a motion from the Honourable Minister of Municipal Affairs that he's adjourning it.

MR. PAWLEY: Then I would move that we adjourn, Mr. Speaker. I would move, seconded by the Honourable Minister of Mines and Natural Resources, that debate on Bill 44 be adjourned.

MOTION presented and carried.

MR. SPEAKER: The hour of adjournment being agreed to, the House is now adjourned and stands adjourned until 8:00 p. m. this evening.