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RHINELAND	J. M. Froese	Winkler, Man.
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ST. MATTHEWS	W. G. Martin	924 Palmerston Ave., Winnipeg 10
ST. VITAL	Fred Groves	3 Kingston Row, St. Vital, Winnipeg 8
STE. ROSE	Gildas Molgat	Room 250, Legislative Bldg., Winnipeg 1
SELKIRK	T. P. Hillhouse, Q. C.	Dominion Bank Bldg., Selkirk, Man.
SEVEN OAKS	Arthur E. Wright	168 Burrin Ave., Winnipeg 17
SOURIS-LANSDOWNE	M. E. McKellar	Nesbitt, Man.
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WOLSELEY	Hon. Duff Roblin	Legislative Bldg., Winnipeg 1



THE LEGISLATIVE ASSEMBLY OF MANITOBA  
2:30 o'clock, Tuesday, April 14, 1964

Opening Prayer by Madam Speaker.

MADAM SPEAKER: Presenting Petitions  
Reading and Receiving Petitions  
Presenting Reports by Standing and Special Committees

HON. STEWART E. McLEAN, Q. C. (Attorney-General)(Dauphin): Madam Speaker, I wish to present the sixth report of the Standing Committee on Law Amendments.

MR. CLERK: Your Standing Committee on Law Amendments beg leave to present the following as their sixth report. Your Committee has considered Bills No. 80, an Act for the Relief of Helen Radclyffe and Edward Frank Radclyffe; No. 88, An Act to incorporate Eden Mental Health Centre; No. 120, An Act to amend The Public Schools Act (2); and has agreed to report the same without amendment. Your Committee has also considered Bills No. 57, An Act to amend The Winnipeg Charter, 1956, and to validate By-laws Nos. 18854, 18872, 18883 and 18884; No. 85, An Act respecting the Profession of Medicine; No. 90, An Act to incorporate The Winnipeg Hebrew Free School; No. 108, An Act to amend The Winnipeg Charter, 1956 (2); and has agreed to report the same with certain amendments.

Your Committee recommends that the Fees paid in connection with the following Bills be refunded, less the costs of Printing: No. 88, An Act to incorporate Eden Mental Health Centre; No. 90, An Act to incorporate The Winnipeg Hebrew Free School. All of which is respectfully submitted.

MR. McLEAN: Madam Speaker, I beg to move, seconded by the Honourable Minister of Health, that the Report of the Committee be received.

Madam Speaker presented the motion and after a voice vote declared the motion carried.

MR. McLEAN: Madam Speaker, I beg to move, seconded by the Honourable Minister of Health, that the fees paid in connection with the following bills be refunded, less the cost of printing: No. 88, An Act to incorporate Eden Mental Health Centre; No. 90, An Act to incorporate The Winnipeg Hebrew Free School.

Madam Speaker presented the motion and after a voice vote declared the motion carried.

MADAM SPEAKER: Notices of Motion.

MR. M. A. GRAY (Inkster): Madam Speaker, you mentioned Hebrew Free School. I think in Committee that they deleted the word "Free." Will you please correct this for record purposes?

MADAM SPEAKER: The report is correct. When it will come into the Committee of the Whole the word "Free" will disappear.

Introduction of Bills  
Committee of the Whole House

MR. McLEAN: Madam Speaker, I beg to move, seconded by the Honourable the Minister of Education, that Madam Speaker do now leave the Chair and the House resolve itself into Committee of the Whole to consider the proposed resolution standing in the Order Paper in my name.

Madam Speaker presented the motion.

MR. D. L. CAMPBELL (Lakeside): . . . the fact that the Honourable Minister didn't read the resolution on to the record -- (Interjection) -- Oh, I believe that's right.

Madam Speaker put the question and after a voice vote declared the motion carried and the House resolved itself into a Committee of the Whole with the Honourable Member for St. Matthews in the Chair.

MR. McLEAN: Mr. Chairman, His Honour the Lieutenant-Governor having been informed of the subject matter of the proposed resolution recommends it to the House.

MR. CHAIRMAN: Whereas the . . . . .

MR. McLEAN: Mr. Chairman, it would be satisfactory if it were read when I move the resolution in the House.

This resolution, Mr. Chairman, carries out an arrangement we had spoke of earlier that certain bills referred to in the resolution would be referred to the Standing Committee on Statutory Regulations and Orders for consideration after prorogation. It is in Committee at this stage because it involves the payment of expenses to those members who serve on committee.

MR. CHAIRMAN: Agreed?

MR. J. M. FROESE (Rhineland): I think I have made the request before that I honestly feel that my name should be placed on the list of the members of the committee, otherwise I will not receive the information that is available to other members of this House.

Secondly, the First Minister mentioned on a previous occasion that I would be perfectly free to sit in on the committee but, as I have already pointed out, I will have no vote; secondly, the cost in connection with attending these meetings will not be paid for, it would have to be on my own expenses. I feel that this is not an unreasonable request and therefore I would make the request formally to have my name put on the Committee.

HON. DUFF ROBLIN (Premier)(Wolseley): Mr. Chairman, I think we should give consideration to the honourable gentleman's request to be on this committee. The problem that it confronts us with is that it upsets the balance of a count on the committee as between the representation of the various parties, and that's a little bit of a problem. However, I imagine that if other groups in the House had no objection to the government adding one to match my honourable friend that we might be able to accommodate him by putting his name on the committee. If there is no objection to that we can give this some consideration, but I'd like to hear what the views are.

MR. GILDAS MOLGAT (Leader of the Official Opposition)(Ste. Rose): Mr. Chairman, as I recall the present formation of the committee there are six government members, two from the Opposition and one CCF for a total of nine. Is that correct? So what the honourable member suggested -- (Interjection) -- Are there two from the CCF group? -- (Interjection) -- Pardon me. I haven't quite caught up the terminology yet but I guess the Saskatchewan election must be spilling over here. I notice the name isn't quite as definite. -- (Interjection) -- Better tell your protégées in Saskatchewan. In any case, that would leave it then two from our group, two from the NDP and one from the Social Credit Party. I would have no objection if the honourable gentleman were added, and if my honourable friends wanted to put one more on I see no difficulty to that.

MR. E. R. SCHREYER (Brokenhead): . . . . . that their official name is still Liberal-Progressive, or has it been changed?

MR. MOLGAT: I'm delighted to answer that. It's Liberal and we use that terminology all the time. I might add that it's used in all provinces in that same way and there's no confusion as does appear in my honourable friend's group.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party)(Radisson): The terminology is Liberal, but not Progressive.

MR. ROBLIN: I rise to say that I think perhaps then we could accept an amendment in the committee here, or a suggestion in the committee that we add the name of the Member for Rhineland to this committee, and I will add my own name as the government member for the time being, on the understanding that after we have had some consultation among ourselves we may propose another name before the House rises.

I'd just like to say, however, that while I'm glad to oblige my honourable friend in this connection, I hope he doesn't consider it as a precedent because we do have to balance off party strength on these committees and as he's in a rather unique position -- I think that's the correct way to describe him -- he will understand that his 1/57th of the total doesn't help him out on every committee. But as he has made a particular request in this respect I think we should do our best to oblige him, and I would be happy to move, Mr. Chairman, if this can be done properly -- and I look at the Clerk to find out if it's so -- that the names of Froese and Roblin be added to the membership of this committee, and that will enable us to deal with the matter at the present time.

MR. PAULLEY: I have no objection to this being done but I want it clearly understood, however, that if in future Houses there happens to be individual members of any political party, that they may be granted the same privilege as is being granted this afternoon.

MR. ROBLIN: Mr. Chairman, I can give no undertaking to that effect at all. The only undertaking I can give is my desire to accommodate my honourable friend who has made a particular request upon this particular occasion. It is only in that context that it can be considered, and I distinctly reserve the position that it is not a precedent.

MR. LAURENT DESJARDINS (St. Boniface): Mr. Chairman, . . . . . the honourable

(Mr. Desjardins, Cont'd.) . . . member asked, it sounded to me like he wanted to be on the mailing list more than anything else. I don't see why there is any necessity of putting him on the committee. I think that the Leader of the NDP had a point there, that we might be in trouble later on. I think the main thing is that as long as he knows what is going on -- this was his original request -- if he was on the mailing list, get all the information, and as he quoted the First Minister on a previous occasion saying that he would not have a vote. I think we should stay with that.

MR. FROESE: No, Mr. Chairman, I asked specifically to be on the committee so that I could hear the discussions and also participate in them.

MR. GRAY: Mr. Chairman, I have no objection to the Honourable Member from Rhineland to be on the committee. As a matter of fact I welcome it. I think that he has developed in the last couple of years to a great extent and he now makes a very useful contribution to the debates in this House, but I would not agree to name one individual as a Party. So I am wholeheartedly in favour of having the Honourable Member from Rhineland on the committee, but not as the Honourable Leader of a Party.

MR. MOLGAT: Mr. Chairman, I think I'd like to make my position clear in this regard. I'm not subscribing to this on the basis of another party being represented, but the honourable member is a member of Law Amendments Committee and a number of the bills that have now been sent over to this new committee would normally have gone to Law Amendments, and I think that in this particular case, for this one instance -- and I certainly don't consider it as a precedent as far as I'm concerned -- that he has requested that he be put on this special committee where these bills will be going and I, for one, am prepared to give him that right.

MR. ROBLIN: I think that's a very fair statement of the case and one which I would certainly adopt as my own.

MR. PAULLEY: . . . . Mr. Chairman, that if this request comes from any individual member who is not connected with a recognized party in the House, this will have to be considered at that time.

MR. ROBLIN: Well I repeat what I said, that we simply cannot regard it as a precedent. It was a particular request for a particular reason.

MR. CHAIRMAN: . . . . come before the House.

MR. ROBLIN: I think, Mr. Chairman, that an amendment has been prepared for me here. The advice I have is that I should make this motion in the House after the committee has reported.

MR. CHAIRMAN: Resolution be adopted?

MR. CAMPBELL: Mr. Chairman, . . . . began, has the resolution now been read onto the record? It'll be when the 7 -- (Interjection) -- thank you.

MR. CHAIRMAN: Resolution be adopted? Committee rise and report. Call in the Speaker.

Madam Speaker, the Committee of the Whole has adopted a certain resolution, directed me to report the same and asks leave to sit again.

MR. W. G. MARTIN (St. Matthews): Madam Speaker, I beg to move, seconded by the Honourable Member for Rhineland, that the report of the Committee be received.

Madam Speaker presented the motion and after a voice vote declared the motion carried.

MR. McLEAN: Madam Speaker, I move, seconded by the Honourable the Minister of Education; Whereas the Legislative Assembly of Manitoba at its Second Session of the 27th Legislature, pursuant to Rule 67 of the Rules, Orders and Forms of Proceeding of the Legislative Assembly of Manitoba, appointed a Standing Committee of the House on Statutory Regulations and Orders on Thursday, the 13th day of February, 1964. And Whereas the Legislative Assembly at this Session gave second readings to the following Bills, and referred them to the Standing Committee on Statutory Regulations and Orders: Bill No. 39, an Act respecting Joint Stock Companies and Other Corporations; Bill No. 40, an Act requiring the Registration of Real Estate Brokers and Real Estate Salesmen; Bill No. 89, an Act to provide for Relief from Certain Unconscionable Transactions; Bill No. 107, an Act respecting the Vesting and Portability of Pension Benefits under Pensions and respecting the Solvency of Pension Plans; Bill No. 113, an Act requiring the Registration of Mortgage Brokers; Bill No. 123, an Act respecting the Law of Partnership; Bill No. 121, an Act respecting the Registration of Business Names

(Mr. McLean, Cont'd.) . . . and Partnerships; And Whereas it is deemed advisable that the Bills above mentioned, and referred to the Standing Committee on Statutory Regulations and Orders be considered by this Committee, and that the Committee hear representations with respect to these Bills during recess after prorogation, and report at the next Session of the Legislature.

Therefore be it resolved: That the Standing Committee on Statutory Regulations and Orders, appointed at the Second Session of the 27th Legislature on Thursday, the 13th day of February, 1964, consider and hear representations with respect to the following Bills: Bill No. 39, An Act respecting Joint Stock Companies and Other Corporations; Bill No. 40, An Act requiring the Registration of Real Estate Brokers and Real Estate Salesmen; Bill No. 89, An Act respecting the Vesting and Portability of Pension Benefits under Pensions and respecting the Solvency of Pension Plans; Bill No. 113, An Act requiring the Registration of Mortgage Brokers; Bill No. 123, An Act respecting the Law of Partnership; Bill No. 121, An Act respecting the Registration of Business Names and Partnerships.

And be it further resolved: That the said Standing Committee of the House shall have power to sit during the present Session and in recess after prorogation to hear representations and to report to this House on the matters referred to them at the next Session of the Legislature. And That the Provincial Treasurer be authorized to pay out of the Consolidated Fund, to the members of the said Committee, the amount of expenses incurred by the members in attending the sittings of the Committee, or expenses incurred by the members in the performances of duties ordered by the Committee, in recess after prorogation, as are approved by the Comptroller-General. And that the Provincial Treasurer be authorized to pay out of the Consolidated Fund all other expenses of a kind and nature required to assist the said Committee in carrying out the provisions of this resolution and provided the same have received the prior approval of the Treasury Board.

Madam Speaker presented the motion.

MR. DESJARDINS: Madam Speaker, there's only one question I'd like to ask the Minister. In the third last paragraph, "that this Committee report to the House at the next Session of the Legislature," is this exactly what was meant or is it the next regular Session?

MR. McLEAN: Madam Speaker, under the Rules it must be to the next Session. We had to use the words there although I think we recognize that if by chance there were an irregular Session this motion would have to be presented again in order to keep the Committee in existence until a regular Session.

Madam Speaker put the question and after a voice vote declared the motion carried.

MADAM SPEAKER: Before the Orders of the Day, I would like to attract your attention to the gallery on my right where there are some 32 Grade 6 students from the Lord Nelson School under the direction of their teacher, Mr. Johannson. This school is situated in the constituency of the Honourable the Member for Inkster. We welcome you here this afternoon and hope that all that you see and hear in this Legislative Assembly will be of help to you in your studies. May this visit be an inspiration to you and stimulate your interest in provincial affairs. Come back and visit us again.

Orders of the Day.

HON. GURNEY EVANS (Minister of Industry and Commerce)(Fort Rouge): Before the Orders are called, I would like to provide my honourable friend from Gladstone with what little information I have respecting the pipeline between Edmonton and Hudson Bay as referred to in the April 6th issue of "Oil Week". I might tell my honourable friend that this also is our only source of information. We have not yet been approached by this company, The Tundra Pipelines Limited, and we are not familiar with their plans. I believe that their engineering and market studies are still not complete and we will be interested in any information that we can secure about them and certainly if they seek our assistance in any way we will be glad to talk to them.

MR. NELSON SHOEMAKER (Gladstone): I would like to thank my honourable friend for the information that he has supplied the House with but I would like to ask him a further question. Is the company that is referred to in this article a company that is incorporated in the Province of Manitoba and is their head office in the City of Winnipeg?

MR. EVANS: . . . . . that from the Registrar of Companies.

HON. GEORGE HUTTON (Minister of Agriculture)(Rockwood-Iberville): Madam Speaker, at this morning's session the Honourable Member for Inkster enquired into the effects of the recent precipitation on the flood forecast. My advisors tell me that the precipitation has been concentrated over the Red River Valley in Manitoba. It was much lighter over the United States portion of the Red River watershed and extremely light over the Assiniboine Basin. It will therefore have very little effect on previously predicted Red and Assiniboine River peak flows. In fact there is no change in the previously predicted Assiniboine flows, while the peak flow on the Red River at Winnipeg is predicted at 32,000 cubic feet per second with a stage of 13 City of Winnipeg datum. This is an increase of one foot over the peak stage predicted prior to the recent precipitation. This peak stage, assuming favourable weather conditions, is expected to occur in Winnipeg on about April 22nd.

HON. GEORGE JOHNSON (Minister of Education)(Gimli): I'd like to lay on the table of the House a Return to an Address voted by the House on April 10th, 1964 on a motion from the Honourable Member of Ste. Rose, the Leader of the Opposition.

MR. MOLGAT: Madam Speaker, before the Orders of the Day, I would like to direct a question to the Minister of Health. Could he indicate to the House where he purchased these particular stickers and could he also, in the future, see if he cannot buy them elsewhere or get someone who has a better separation for the back of them, because I believe that all the Members of the House who were polio-proofed this morning are now no longer branded. My honourable friend was one of the last few that still have it on his lapel but I know that was his second one because he had to come in and pick up another one the same time that I did. It is a small point, Mr. Chairman, but it seems to me that if we are going to spend the money on these we should see to it that we get a good product.

HON. C. H. WITNEY (Minister of Health)(Flin Flon): The suggestion of the Honourable Leader will be noted, and while the members may not be branded, those who had the lump of sugar are sure that they are polio-proof.

MR. G. E. JOHNSTON (Portage la Prairie): Madam Speaker, may I address a question to the Honourable Minister of Mines and Natural Resources? When will I be able to expect my Return concerning the Delta property?

HON. STERLING R. LYON, Q. C. (Minister of Mines and Natural Resources)(Fort Garry): Madam Speaker, that Return I think is formally being printed, but when we get into Supply if my honourable friend asks the same question orally, I think he might get a quicker answer.

HON. OBIE BAIZLEY (Minister of Labour)(Osborne): Madam Speaker, today I'd like to table a Return to an Order of the House No. 45 on the motion of the Honourable Member for Portage la Prairie.

MR. ROBLIN: . . . call the resolution on shared services. After we've disposed of that, then we'll move into Committee of Supply.

MADAM SPEAKER: The proposed resolution of the Honourable the First Minister. The Honourable the Member for Ethelbert Plains.

MR. M. N. HRYHORCZUK, Q. C. (Ethelbert Plains): Madam Speaker, the subject matter of this particular resolution is one which I think concerns more people in the Province of Manitoba than any other single subject that I can think of at the moment. I do believe that there's hardly a person who is interested in public affairs that hasn't given this matter some thought at one time or another. There is also the fact, Madam Speaker, that there is not a consensus of opinion, as to any solution that can be offered. Not only are there differences of opinions amongst individuals, but we find that there are different opinions amongst persons who belong to the same groups, the same segments and so forth, so it's hardly unusual that we do not have a consensus of opinion and that the differences are wide and varied.

I have held an opinion in this matter for many years. This resolution hasn't brought my thinking to focus at this time. I have never had the opportunity of stating my feelings in public, and even when this opportunity did come along I wasn't too sure that I wanted to express an opinion which I feel is considerably different from any of those that have been expressed in this House so far. I feel that the matter is so important that those of us who have certain opinions about it should express them, and in this regard, Madam Speaker, I'm somewhat disappointed that only two members, outside of the First Minister, of the Conservative Party have spoken. I have thought about this a great deal also and I have wondered why, if this was a matter of

(Mr. Hryhorczuk, Cont'd.) . . . government policy whereby the kind of services were outlined in a program. I could understand the necessity for the First Minister to speak on behalf of the government. That however is not true in this instance, and I do believe that some of the honourable members of the government benches have very firm convictions about this matter and have not spoken for some reason or another, such reasons being only what we can guess at, but from what I have seen of the actions across the way from here, it would appear to me that probably they were asked by the First Minister not to speak, which of course is his prerogative and his right, but it does not do this House or the Province of Manitoba too much good when we have such a large portion of the Province, which the members of the Conservative Party represent, having no voice in a matter of such vital concern to them.

Then of course there is always a probability, and I think it's a little more than a probability, that the First Minister has more or less assured the members of his Party as to what the recommendations in the report of the committee are going to be. The reason I say that, Madam Speaker, is because we have seen press reports of the statements made by the First Minister to the people of the Province of Manitoba after this Resolution was before the House, and if my reading of the report is correct, the First Minister has more or less laid out what the program is going to be and the only way he could do that was to have an idea of what the recommendations of the committee are going to be. Now immaterial of which of those two reasons for the silence on the other side is the right one, I still feel that many of the members will some day feel sorry that they did not get up in this debate and express an opinion, which I am sure that their constituents asked them to.

Well, Madam Speaker, coming to the subject matter of this Resolution, we in the Western World and as much in Canada, if not more than the rest of the Western World, believe in the sanctity of the individual. We have fought wars to maintain the liberty and freedom of the individual. Our laws are framed to protect this liberty and freedom. We spend millions upon millions of dollars for the physical health and well-being of our citizens. We Christians feel that this attitude of the Western World is due to the principles of peace, love and brotherhood, the cornerstones of Christianity.

In spite, Madam Speaker, of the ever-increasing contributions to the physical health and welfare of our people, what do we see in the end results? We see more and more frustration and disillusionment; more and more people are requiring medical care and hospitalization, in a great many instances due to mental and nervous tension. We see it in the over-crowding of our mental institutions. The only conclusion that we can come to, Madam Speaker, in my humble opinion is that something is basically wrong with our understanding of the needs of the human being. Are we placing too much emphasis on the physical needs and not enough on the spiritual requirements of our young and adult citizens?

I am convinced, Madam Speaker, that there is a deep void in the lives that is not being filled. Our spiritual and moral needs are not receiving the attention that is so necessary to a full, healthy and satisfying life. I can fully understand and appreciate the action of those segments of our society that insist on instilling religious faith in the hearts and souls of their children. This is as it should be. It is every bit as important to give our children a religious education as it is to give them an academic education and look after their physical requirements. In fact, Madam Speaker, I feel very strongly about this and I have, as I said in the opening remarks, for many years.

When we hear the saying "Man cannot live by bread alone", that of course means that our spiritual requirements that every person needs in his life. It is my opinion that a person with deep spiritual and moral convictions lives a much better life and contributes more to the well-being of his fellow man, and I want to repeat that I feel that I understand the motives behind our separate schools and our parochial schools. We have certain groups that place the spiritual needs, at least on equal ground if not ahead of our physical needs, and I want to compliment and commend in particular our Jewish friends, because I believe that they make the best job of any group in this regard and I think we would be, all of us, a great deal happier if we followed their example.

I agree in the principle of separation of church and state, which may at first glance look as a contradiction. I agree that no church should be placed in a position where it can influence the decisions of the state, and I think that is what is meant by the separation of church and



(Mr. Hryhorczuk, Cont'd.) . . . state. But this does not mean, Madam Speaker, that there should be a separation of state and religion, and I do believe that the state has a duty and a responsibility to the moral and spiritual education of our children. I very much prefer to see religion based upon the Bible taught in our public schools. I'm not in favour of aid to private parochial schools. I believe that this results in a figmentation of our people, and I think that in some measure they contribute to the prejudice and bitterness that exists today. It certainly does not add to the unity that is so badly and sorely needed, not only in Manitoba and Canada but in the whole of the Western World.

In my humble opinion there is no time to lose in doing away with our sectarian differences. I know this is a great deal to ask. Surely for the sake of our children's future our churches can agree to a course of studies based upon the Bible, a course of studies that would form part and parcel of our public school curriculum; a course of studies that will fill the spiritual and moral needs of our children; which would bring about the peace, love and true brotherhood that we talk about. It would do away with at least some of the intolerance and misunderstanding. I know that this is an idealistic thinking, but with goodwill and conscientious effort it can be accomplished. I know that this suggestion does not include all our people but it is at least a step in the right direction. Who knows but what it may lead to a fuller and better understanding among all our people.

I am going to support this Resolution, Madam Speaker, for one reason and one only, that it will give the committee the opportunity to question the people who are here before us as to their feeling and thinking on the subject of a course of study based upon the Bible to be a part of our public school curriculum.

MR. ROBLIN: Madam Speaker, if there are no other persons who wish to take part in this debate, and I understand there are none, I would like to move the adjournment. I move, seconded by the Honourable Minister of Industry and Commerce, that the debate be adjourned.

Madam Speaker presented the motion and after a voice vote declared the motion carried.

MR. ROBLIN: Madam Speaker, I beg to move, seconded by the Honourable Minister of Mines and Natural Resources, that Madam Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

Madam Speaker presented the motion and after a voice vote declared the motion carried and the House resolved itself into a Committee of Supply with the Honourable Member for St. Matthews in the Chair.

MR. CHAIRMAN: Department IX, Item 4, passed.

MR. LYON: . . . . asked some questions in the fishing field, the answers to which were not readily or immediately available, I have some of these answers now. He asked in our statistical review where southern lakes were referred to, there is a term "other southern lakes" and he wanted to know what they were. Well I had one of them right -- there are three of them. There's Lake Dauphin, Lake St. Martin and Waterhen Lake. These are the only three commercially fished lakes that are included in that designation of "other lakes". There are other smaller lakes of course, but commercial licenses are not permitted on them now, only angling licenses.

The Honourable Member also asked about Lake Manitoba -- one of the honourable members did -- licenses on Lake Manitoba -- perhaps it was the Member for St. George. Licenses issued to fishermen on Lake Manitoba are, as we thought last night, issued only for the winter season, but they do allow the man to fish on any part of the lake -- any part of Lake Manitoba. I'm advised that usually the fishermen will operate reasonably close to their home base but in some cases they range fairly far and wide on the lake.

The Member for St. George asked about the fishway in the Fairford River Dam. I knew there had been some enquiry on this before and I can tell him that the Fisheries Branch are satisfied that this fishway is not working effectively. It isn't working effectively because of low water levels in the channel below the dam, and the matter is being reviewed by the Fisheries Branch officials with the staff of the Water Control and Conservation Branch to determine what remedial action can be taken in that regard.

I believe the Member for Gladstone was asking about some land in the vicinity of Langruth, which had a recreational potential. I'm advised that this land that we believe he was referring to, that is the west half of section 19-17-8 west in the RM of Lakeview, the recreational

(Mr. Lyon, Cont'd.) . . . rights to this Crown land, which is only a very narrow little portion, were at the request of the municipality, turned over to the municipality for local development by the municipality in 1963, and any development that takes place on that land as I have described it here will be under the control of the local area. It was thought to be better suited for local development than for a provincial recreational development. I believe those are the answers to the questions that were asked last night of which I have record.

MR. MOLGAT: . . . production at the south end of Lake Winnipeg over the past years in relationship to the pollution problem that exists there.

MR. LYON: I'm aware of that. I haven't received any information on those figures. Whether or not they're available is an open question but I'll ask again, Mr. Chairman.

MR. MOLGAT: The other one, but I don't think the Minister made a note of it because he replied to me, judging from his own personal experience only, and that was the matter of reciprocity of angling licenses between Ontario and Saskatchewan and I would like to know exactly what the arrangement is, because it seems to me, Mr. Chairman, that in the past we didn't treat Ontario tourists the same way as Manitoba tourists were treated in Ontario. The situation as I recall it last year was that you didn't even need a Manitoba Fishing license to be allowed to fish in Ontario. Just the fact that you are a resident of Manitoba allows you to fish without any kind of a license. Now I ask if this is so? The First Minister is shaking his head, but I can assure him that that's the case.

MR. ROBLIN: . . . to my personal experience. I happen to have been caught -- well I wasn't caught, but I was out fishing in Ontario and the Warden came around and I had obtained a Manitoba license at the Ontario camp which entitled me to fish in Ontario, but I had to have a license. It cost me three bucks, I think, something like that. That's why I shake my head.

MR. MOLGAT: Well, it's different from my own experience, because my understanding was, from my own personal experience also with the Game wardens, provided you are a Manitoba resident you need no license. However, I bring it up only that I think these type of reciprocal arrangements with neighboring provinces are good, and as it is there are a lot of Manitoba residents who do go into the neighboring section of Ontario and I think that we can look forward to possibly more people from Ontario and particularly Saskatchewan coming to Manitoba and if we can have a clear cut reciprocity I think it would be to our advantage.

MR. ROBLIN: . . . very well fishing in Ontario at a fishing camp last summer, I was requested by the proprietor to obtain a visitor's license. I remember it now and that's what I paid for and obtained, so that I did pay a license.

MR. MOLGAT: . . . one of them in particular was the matter of the size of fish nets. Now this is one on which I introduced a resolution in the House some years ago, and I don't deny Mr. Chairman, the difficulty that it does make for the Department, for the Inspectors, but there is a serious hardship I think being imposed on the commercial fishermen of Manitoba and particularly a lot of the small fishermen. I know that this year, for example, in a number of areas along Lake Manitoba, and I think the Honourable Member for Rupertsland, who represents a section of Lake Manitoba as well adjoining my own constituency, can verify to these facts; and that is that fishermen in complete innocence purchase nets from fish companies. They order them according to what the legal size is supposed to be on the lake. In the case of Lake Manitoba, 3-3/4 inch I think it is, or 3-1/4. The nets are shipped out to them; they are invoiced to them as regular properly-sized nets. The fishermen proceed then to complete them and this involves a fair amount of work and expense by the time they put lines on them and weights and floats and so on. In a number of cases they may have them checked by the Inspectors. They proceed to put them in the water and as the season comes along the inspectors come along and they will check the nets.

Now in certain types of nets there is some shrinkage which may account for some of the difficulty. I'm told that in the nylon nets that are now becoming more popular, it's the reverse, that rather than shrink they stretch, but on the other hand the knots have a tendency to slip, because you are dealing with a very fine and monofilament line, so if there is any slippage of the knots, you can end up in a situation where a fisherman has his net checked later on, and is found to have an illegal net.

Mr. Chairman, this may sound like not an important item but I submit that it is of vital importance to a lot of the fishermen in the Province of Manitoba, and there are many of them

(Mr. Molgat, Cont'd.) . . . this winter who I understand suffered in a number of ways. Their nets were taken away from them in some cases. In other cases they were fined on top of that for having used nets of illegal size. Now, Mr. Chairman, surely somewhere along the line, something has to be done to have a standard system whereby fishermen, if they purchase a net of proper legal size, are assured that they are not going to be subsequently put in a difficult position through no fault of their own, and if it's a fact that the nets shrink or stretch, then let us have a tolerance that will cover it, or if it's impossible to control it then let's not permit those type of nets, but I don't think we can continue to have a healthy fishing industry with this sort of situation existing. Now I know the Minister says well, it's up to the fishermen themselves to check these nets. They should check their nets themselves, but even if they do, Mr. Chairman, and there's a subsequent change in the nets after being in the water, they have no protection. Now I suggested to the House some years ago that we should institute some means of marking a net, tagging it, once it is legally accepted either before being shipped out from the net manufacturers or when it gets out in the hands of the fisherman himself and he has properly set it up with lines and weights and so on. It seems to me that at that stage particularly, once it's in the fisherman's hands and a completed net, ready for use, that there should be some means of putting a permanent device that would cover both the net itself and the basic line, covering it, so that it could not be tampered with in the future, that you couldn't take this marking and stick it on another net, so that there would be some assurance from then on that the fishermen would be legal.

Now this was particularly harmful this year, Mr. Chairman, in a number of cases of people who are living on very, very low incomes, and I'm referring to some of the Metis and Indian fishermen around the north end of Lake Manitoba in the Crane River region for example. As I mentioned, I'm sure the member for Rupertsland has had the same experience, and these people are not wealthy people. They are doing their best to get along, and every time something like this happens it discourages them from continuing to try and take care of themselves and is an encouragement to them to put themselves into the hands of my honourable friend, the Minister of Welfare, so I would like to see the Department develop some scheme whereby there will be some protection for these fishermen. I wonder if the Minister has had complaints in this regard and whether he proposes any action?

MR. LYON: Mr. Chairman, I certainly don't pretend to be an expert in any sense of the word on the question of gill nets, monofilament gill nets or nylon nets or whatever. I know that -- I have some of the basic information that is given to all of the trainees in the field. I know something about a Selkirk gauge; I know something about some of the endorsement procedures that are used. My honourable friend asked two questions. First of all, have I had any complaints about the net situation? I can assure him that while I haven't had necessarily complaints, I've had discussions and reports from the Department concerning this matter, because let's face it -- it's an age old problem that's been with this Department so long as the Fisheries resource itself has been with the Department, and I'm the first to confess to him right now that I don't have the answer, nor does the Department have the complete answer to the very subject that he raises -- the very proper subject that he raises today. I think he has one or two good ideas about permanent marking of nets. I think some of these have been considered by the Department, and I know that they are looking at other matters at the present time.

There crossed my desk a few weeks ago a copy of a bill that was introduced by one of my very distinguished predecessors, the Honourable J. S. McDiarmid many years ago, having to do with gill nets in Manitoba. I understand the bill never got past the committee stage but it was introduced in an attempt apparently by the administration of that day to try to do something about the gill net situation. I forget the year, but I think it was either just before or just after the war. So the problem is still with us. I think we have made some strides forward in it but I'm certainly aware of the type of complaint that my honourable friend speaks of. I think we have to depend to a large extent upon the good common sense and the discretion of the Conservation Officers in the field on patrol, taking into account the situations as they find them, gauging the nets as they find them and trusting to their judgment to lay charges only where it appears that there has been a clear-cut violation of the regulation, and when that has occurred then there is the double protection, of course, of the Court affording protection to the fishermen. If the Court can't be convinced that this fisherman with knowledge was using illegal mesh,

(Mr. Lyon, Cont'd.) . . . why then of course no conviction will follow, but this is not the total answer to the problem. I'm the first to admit it, and I can only assure him that we are continuing to look at it in the hope that we will find some better answers than perhaps have been available in the past.

MR. HRYHORCZUK: Mr. Chairman, this subject's been pretty well covered but sitting here listening to the Honourable Leader of the Opposition and the Minister it just occurred to me that probably we could get at the root of this evil because it has caused many, many people, many fishermen, real great hardships and burdens, and I don't know just what ethics are employed by the people that sell these nets but shouldn't we take a look and see if we couldn't get these people into court by putting in a provision of contributing then? It's just an idea. If we could amend our Act in such a way that we can get these people that sell the nets into court then we'd at least be giving some protection to the fishermen themselves.

MR. MOLGAT: Mr. Chairman, I think possibly the Member for Ethelbert Plains has touched on a point that would be helpful in initial control. Because I'm told by these fishermen who complained to me that they have a legal invoice specifically stating the size of mesh that they've ordered, that they've bought according to invoice, that they've been shipped to the best of their knowledge according to invoice, and yet they find themselves in difficulties, so if there was a contributing clause this would make sure that all the way down the line every person involved in the handling of nets would have an interest to see to it that they did sell exactly the type of net that is required in the area.

MR. LYON: . . . certainly is being canvassed by the department I know at the present time. One of the practical problems, as I understand it however, is that you do have from time to time variations in the size of mesh that is legal for a particular season, and sometimes you would have to make your illegal mesh as I am advised, that is your small, narrow mesh, you'd have to keep it down fairly low as to what would be totally illegal at all times -- that is, the mesh that is never permissible for commercial purposes -- because there are variations, as you get into your 4-1/4, 5-1/4 inch mesh there are variations as to where this kind of mesh can be used. It's a problem, but certainly the suggestion is well worthwhile and I can tell my honourable friend we're looking at . . . . .

MR. HRYHORCZUK: . . . on this, Mr. Chairman, I quite understand the argument of the Honourable Minister. There are certain waters that you can fish in today with a 3-1/4 or another water will be 4-1/4 and so forth. But that isn't where the fishermen get caught. The fishermen take a 4-1/4 inch mesh which they buy as 4-1/4 and they're fishing in 4-1/4 inch waters, but what happens after that net is submerged in the water it will probably shrink say to 4 or 3-3/4 and I think it's up to the manufacturer and the seller of that net to stand behind that 4-1/4 guarantee. That's what we have in mind, not that they are used in different waters.

MR. S. PETERS (Elmwood): Mr. Chairman, a few years ago the former Minister of Mines and Natural Resources told us that they were experimenting with trap net fishing. I wonder if the Minister could inform us of what has happened with those tests, whether they are going to go into trap net fishing or whether they are going to continue with gill net fishing.

MR. LYON: Mr. Chairman, in part of the year's research program of the department, trap nets were tried out and trap nets are being used rather extensively now and have been used for the past two to three years, I think it is, particularly on Lake Winnipeg for commercial fishing operations. They have proved to be a very successful way of fishing, a very efficient way of fishing. You get -- I know when you talk to fishermen sometimes you get some different reports from them, like some of the confirmed gill net boys say that the trap net is taking away some of their fish, others who have converted from the gill over to the trap nets say it is the more efficient way. The experts -- some of them tell us that one of the main advantages of the trap net of course is that you keep your fish alive. Some of the fishermen who used them on the other hand will tell you that you find some dead just the same, so you get the pros and cons on the argument, but this type of gear has been used. It's on the lakes now and is being used successfully by a number of fishermen. I think the Annual Report will give you the actual numbers of trap nets being used on our lakes.

MR. ELMAN GUTTORMSON (St. George): Mr. Chairman, with regard to the trap nets, one of the complaints I have regarding this program is that it's eliminating the small fisherman who isn't able to pay the cost of the trap net which is considerable, and it seems that the

(Mr. Guttormson, Cont'd.) . . . fish companies are the ones supplying these trap nets and they certainly have the fishermen in their hands. Has the government considered the possibility of any program whereby they can assist the smaller fishermen to purchase these more expensive nets so that they wouldn't have to go to the fish companies and depend on them to supply these nets so they can keep in the business?

MR. LYON: In Ottawa at the federal-provincial Fisheries Conference the question of loans to fishermen was one matter of prime concern, and the Federal Government I think realize, certainly with respect to Manitoba where I believe there were two or was it three loans taken out under the Fishermen's Loan Plan -- I forget the proper name of it -- in the past number of years, they realize that this present loan fund is not suitable or adequate for fishing people, and I'm hopeful that they will take under advisement as a result of submissions made not only by us but by most of the other provinces, take under advisement the question of improving this Fishermen's Loan Fund Plan that they have whereby the type of loan my honourable friend speaks of might be available through a federal source to fishermen.

MR. GUTTORMSON: . . . this matter should have been raised under Industry and Commerce, but because it deals with fish I'll raise it at this time. During these conferences, at his attendance at these conferences, did they ever give any consideration talking about establishing -- in the department establishing a canning factory? I firmly believe that a government should give serious consideration to establishing a canning plant so that mullet could be processed as an edible food. I have as has been said on previous occasions eaten canned mullet and it was a very delicious food, and it seems to me with all the poverty and hardship we have in the world, and welfare, that this food should be put to better use than it is. Under the present set-up the fishermen have difficulty even getting a penny a pound for it and sometimes it just goes to rot all along the lake shore, and I feel very strongly that something should be done to try to make use of this mullet.

MR. EVANS: Perhaps I might make a comment here. My honourable friend has brought up this question each year and I've welcomed it each year. The department has studied questions of further processing fish in at least two ways: One is straight canning that my honourable friend referred to, and the other is the marketing of fish cakes, either canned or frozen. Now these are economic feasibilities. The mathematics aren't bad. They're not overwhelmingly profitable but they look feasible. Now the next step, of course, is that we've been trying to draw to the attention of the food processing companies that somebody with their own -- who would go into it as a business. So far it hasn't been successful. We will keep it up and hope that we'll win some day.

MR. HRYHORCZUK: . . . if the Honourable Minister of Industry and Commerce has ever had the occasion or the opportunity to look into the plant established at Duck Bay on the shores of Lake Winnipegosis. A free enterpriser by the name of Abe Sanofsky who has done a great deal of work up in that area for the people living there, established a freezing plant and he fillets the mullets or suckers or whatever you want to call them, and there are thousands of fish taken out every spring when they are running, when they are spawning. They're caught and they're put through this plant. He doesn't seem to have too much difficulty in disposing of that product across the line. Now doing it on his own, of course, wouldn't be as efficient as it would be if he had some assistance, and if there's a market for that particular product, and I believe there is -- I understand -- well, not understand, I know that the filleted sucker, when you remove the bones, because that's the objectionable part about a sucker is the bones, that you have a nice, tasty piece of fish, and the same in its preserved state. I would venture to say that most of us wouldn't know the difference between canned mullet and canned salmon if it's properly done, and I think it's worthwhile looking into because that would give us an outlet for the rough fish we're so worried about.

MR. EVANS: . . . I have been in Duck Bay but I've never been in his plant. I'm aware that mullet is a perfectly good food but I was not aware that Mr. Sanofsky was actually selling in the States. I knew he had a market but I didn't know where. Mullet is also used in the manufacture of fish sticks, which is a mixture covered with bread crumbs and is available for deep frying, prepared for deep frying. There's been something of a market in that product. It isn't big but I agree with what my honourable friend says, that several of the fish that are somewhat looked down on at home here are really first class food. The mullet is one. I'm

(Mr. Evans, Cont'd.) . . . told that the maria which is really a ling cod is considered a delicacy by certain people, and a market might some day be found for that.

We stand ready to assist anyone who has a market or would like to find a market or would like us to help them try to develop a market for these fish products, and perhaps if Mr. Sanofsky would like to have assistance in that regard we'd be glad to hear from him.

MR. MOLGAT: . . . discussion of fishing inevitably does come over into the Department of Industry and Commerce. I believe that this publication was prepared by the Department of Industry and Commerce and not by Mines and Natural Resources. I wonder if the Minister would be good enough to give all the members of the House a copy of this publication. Certainly the members of my group would like to have one. And I would like to make a further request as well, Mr. Chairman, that when something like this is produced could it be mailed to all the members of the House at the time it comes out, because it is of interest to us whether it's a general publication of this nature or new maps or something of the sort. It keeps us up-to-date on what is produced. In this case, I think this one was mentioned in one of the releases and I asked for it and they certainly sent it. I wonder if the Minister could indicate whether this is mainly intended for Manitoba consumption or for outside the Province of Manitoba insofar as a tourist production, which I presume is the case, and what has been done with it insofar as distribution, quantity printed and so on?

MR. EVANS: Mr. Chairman, I really apologize for not having distributed copies of that booklet and others. I can distribute it to every member of the House and I'll undertake to see it's done both with this publication and with others.

The publication is intended to answer the enquiries that come to us from our advertising campaign -- from memory, some 50,000 in number each year. We advertise in the publication, people clip coupons, send them in for further literature, we send the literature back. That will be one of our main pieces to mail back. I can't recall from memory the quantity printed. It is substantial. The other question was -- the cost of it. I'm sorry I haven't my records with me, but I shall undertake to find it for my honourable friend. I'd be glad to provide it to him privately although I think that's poor practice.

MR. HRYHORCZUK: Mr. Chairman, I think this is an excellent piece of literature and I've had enquiries for it from across the line myself. It gives a lot of information not available anywhere else. I think it should be followed through and edited as we make additions say, to lakes being stocked and so forth. I think it's worthwhile carrying forward and following it through in the future.

MR. PETERS: Mr. Chairman, at the beginning of every session we come here to meet, I always go down to the tourist office downstairs and find out what new publications they have. I have very many friends in the United States and I like them to come up here and visit us and do some fishing and I myself send out about 30 or 40 of those to the United States.

MR. MOLGAT: Mr. Chairman, . . . attractive publication and I commend the department for producing it. I wonder if the Minister could indicate how much emphasis is placed on fishing in Manitoba insofar as our tourist development. Is this a major factor, is it a major point in our advertising campaign, or is it considered to be a secondary one?

MR. EVANS: We consider it to be a major part of what is really a larger campaign, and that is to attract families to Manitoba. Most of our facilities are designed to cater to families, not necessarily of the highest income, who come here for a family vacation. We try to attract -- I think my honourable friend will see in that publication the family theme, the small boys in the boat with the father and the mother's catching fish from the shore -- so fishing becomes an important factor in attracting the family vacationer to Manitoba. As a prestige piece and as a way of advertising the province in general, we do advertise big game hunting and some of the more remote, and shall we say, dramatic fishing opportunities there are -- the very large Pike, the kind of fishing that's found up in our northern lakes. It would be very expensive for the fishermen to get there, but as a prestige item to advertise the province where it will receive a good deal of notice we do try to feature moose and deer hunting in the north.

We did have the trophy season -- I don't know whether we will have it again or not -- and the very large trophy fish. So we go at it in two ways: one is for the general prestige that may attach to the province from the big game and big fish hunting

(Mr. Evans, Cont'd.) . . . that we advertise but then with fishing in particular, as an integral part of the family vacation advertising we put out.

MR. MOLGAT: Mr. Chairman, I'm surprised, this is my impression really that we were making fishing a fairly important part of our approach on a family basis and I'm surprised as a result, at the figures that the report indicates on non-residence angling licenses because if you look at page 21, and you look at the development of angling license sales over the years, it shows that since '55-56 while the total sales have increased substantially, it has been almost completely in the resident category and that the non-resident field has barely moved up. It was oh, I would guess about 11,000 in '55-56 and it now appears to be something in the order of 13,000. During that same period of time the resident increased from approximately 55,000 to over 90,000, so it makes me wonder as to what is happening in our promotion. Are we not reaching these people, or are we not using the right approach? Possibly we should have another look at the way we are going about this because if this is the purpose to bring in non-resident anglers, then we certainly haven't achieved it according to the report of the department.

MR. LYON: The last figures that I have, and these figures are incomplete because they are not to the end of the fiscal year that we just completed, did indicate however, that there was a considerable jump in the non-resident licenses for the '63-64 season, I believe that portion reported on. They were up from '62-63 -- that figure was 12,960 and last year, '63-64, 15,574, so they have, during this last year there has been a spurt in that field and we hope that that spurt will continue. But certainly I agree that generally from '55-56 figures ranged from about 10 up to 12 and then back down to 11 and then up to 13, back down to 12 and now we've got this spurt up to 15, so let's hope that we are on a rising scale.

MR. GUTTORMSON: Mr. Chairman, I was called to the phone while the Minister made some replies to the questions asked last night. Did he reply to my question with regard to the domestic fishing licenses. Are they continuing this policy or how is this . . . . .

MR. LYON: On Lake Manitoba?

MR. GUTTORMSON: Yes.

MR. LYON: I have something on that. I'll find it and give it to my honourable friend in a few minutes.

Continued on next page . . . . .

MR. CHAIRMAN: Item 4 passed. Item 5, Field Operations (a) passed, (b) passed, (c) passed, (d) passed. Item 5 passed. Item 6 Surveys Branch (a) passed, (b) passed ...

MR. MARK G. SMERCHANSKI (Burrows): On No. 6, I wonder if the Honourable Minister could give us an indication as to the percentage that our province is now covered with aeromagnetic maps. That's the airborne type.

MR. LYON: I'll just look for that material. In the meantime Mr. Chairman, I can tell my honourable friend from St. George, that the domestic fishing, that is by settlers permit, which by the way is an Ottawa approved permit, is still permitted by that Ottawa regulation. There has been a gradual diminution in the number of these domestic licenses around the lake during the summer months. The ultimate objective in time will be a discontinuance of this privilege on all of the southern lakes, that is ultimately, but at the present time it's still in force. Last year there were 100 of these licenses issued on Lake Manitoba. That's the total-- 100. -- interjection -- Yes, that's the figure I have for the total lake - 100.

MR. GUTTORMSON: Then which 100 should get these licenses?

MR. LYON: ..... Mr. Chairman, it would be strictly on application. If I can get any further detail on that, I'll let my friend know, but as far as I know, it's on straight application. I think the numbers requesting are probably diminishing as each year goes by as well. I'm referring to the part of the lake that I'm familiar with. He is referring to the part that he's familiar with.

MR. FROESE: In connection with item 6, on page 70 of the report we have a paragraph here on land sale cancellations and it states that most of these lands have been given up under quit claim deeds. This would infer that this had been done on a voluntary basis but were there requests made by the government for these people to sign a quit claim deed? Then I'd also like to know what was the reason, why did these people give up or why did they cancel out? Is it because they're not farmers in the first place or people who can operate the land successfully? Is it because they're not experienced? And also these properties that were given up, in what area were they? Are they part of the Pasquia project, or where were these lands located that were given up?

MR. GRAY: The question I am going to raise I have already raised several times but unfortunately I don't get the exact reply except some sarcastic remarks about, oh there's not such a thing as lands in the Crown lands district. So I intend to ask this question under 9 but I think perhaps I'll satisfy it under 6. I'd like to know what effort is being made, and I do know, I did know something about it. There are many people who feel that they cannot have a livelihood of subsistence permanently in the City when they have to depend on a job. Sometimes they get it for a month, six months, subject to lay-off, subject to reduction of time and so on. These people wanted to go and satisfy their subsistence because they have no more in the city and go to the Crown lands, or the Crown company, or for the government, or the Minister to say, here now we have a piece of land right here, we could give it to you, we could sell it to you for a nominal price, come in with your family, try to create a livelihood for yourself, help him out with some chattel, help him out with some poultry, help him out with something else, and here we are establishing a family who are not looking for big money who are not dealing with stocks, who are not manufacturers but they wanted at least the rest of their days to live in peace, in freedom, in sunshine and in fresh air, although they cannot exist on fresh air. So I'd like to know, is there anything that's being done on this basis? I remember that during the depression years we have organized the city and the government, the provincial government, the so-called rural rehabilitation commission. It's a place to try and settle people on the farm, not that they're going to make a good living down there, but they are simply anxious to transfer their misery and hardship from the City, standing in line in a little shack down on Elgin Avenue, waiting for hours to be interviewed by somebody and then send an inspector at home to find out whether they have another loaf of bread extra or not -- begging, actually begging -- and in addition they had to pay the penalty of sawing wood with a buck saw for the purpose of getting occupied all the time when a machine could have cut all the wood necessary. At that time we had settled quite a number of families. I don't know what the result is, they may have come back; but for the time being they felt good because I happened to be a member of the commission, I happened to go down there and talk to them. They said one thing: to transfer my misery and hardship of those people that have known me from those people that have known



(Mr. Gray, cont'd)... I've always made a living for my family and now I got to meet them in the unemployment relief shed. I want to go ..... Quite a few, a very large number have gone down there and what the result is I really don't know. I've lost track of it and I don't look for trouble unless trouble comes to see me. So I feel that this is something which could be done and could be helped in a great degree without spending a lot of money, without investing a lot of money, without losing any of the investment. The fact that they'll be there for a year or two or five that itself is a good thing and once they are there probably next year they may buy a more profitable farm and move over there.

Now this question has been asked by me year after year, day after day, and I've never yet received a definite, call it scientific if you wish, practical reply. And even scientifically or economically it's not good. There are other reasons why it should be done.

MR. LYON: The point mentioned by my honourable friend, the Member for Inkster, is certainly a valid one. There is Crown land available for sale where it is arable land and where in most cases it lies within built-up areas. These sales must be approved by the Land Utilization Board of the government in order that we don't get into the same situation that we had a number of years ago of really doing people no favour by settling them on grass land or stony land that was not fit for the kind of agriculture that they wanted to engage in. Crown land is available. My honourable friend the Minister of Welfare could tell you about the Pasquia settlement near The Pas, which is now pretty well filled up, which is along the lines of what he has discussed of people wishing to start out afresh some of them, some of them moving from an urban type of life or village life into a more rural, agricultural type of life. That is available, but there is no big land settlement project as such in the wind that we're aware of at the present time but certainly odd pieces of Crown land are available from time to time for those who wish to purchase. The main policy of course right now is the leasing of grass lands or hay lands for livestock, grazing, ranching purposes. There is a large acreage of this land available in the province presently being leased out to Manitoba citizens.

MR. GUTTORMSON: ..... leasing of land I think we should ...

MR. LYON: ..... off the mark because my honourable friend did. Really we're not on the Lands Branch but I'll be happy to talk about that when we get to it.

MR. GUTTORMSON: I should raise the matter at that time then.

MR. SMERCHANSKI: Mr. Chairman, another thing I'd like to point out is our province completely re-mapped on the new scale of maps or on the standard scale or do we still have the dual standard of maps for the Province of Manitoba; and is it being re-mapped and if so when can we expect the completion of this work.

And while I'm on my feet I'd also like to delve further as to whether there is any proposed program under the aeromagnetic survey for the province and is the program suspended or is it being revived, is it being extended, or just what is being done in reference to this program in the province.

MR. LYON: Mr. Chairman, aeromagnetic comes really under the Mines Branch. I've turned ahead to that and I have it in front of me. I can tell my honourable friend that the joint Federal-Provincial Aeromagnetic program was started in '62, continued in '63. The area flown during the past year extended from Split Lake to York Factory. Aeromagnetic maps resulting from the '62 work were all released between March and November of 1963. Now if there's any further detail I can get I'll try to get it when we hit the Mines Branch.

MR. SMERCHANSKI: ..... matter Mr. Chairman, is what has taken place with our underwater rights in the Hudson's Bay and if you want to drill out in the water of the Hudson's Bay who do you have to apply for a permit now? Does the province still control this because there's been a great deal of attention drawn to the fact that Quebec, Ontario are more or less stalling out their rights in the Hudson's Bay. There's a very good possibility that oil may well be discovered in this area and this would be of vital importance to Manitoba and I'm wondering just what Manitoba is doing in reference to protecting its own rights in a proper basis.

MR. LYON: Mr. Chairman, I can give my honourable friend some information on that when we come to Mines Branch, which is the next item, No. 7.

MR. CHAIRMAN: Item 6 passed, Item 7 (a) passed.

MR. PAULLEY: ..... Mines Branch, I think maybe to discuss this on. It's actually a follow-up to some degree to the question that has been asked by the honourable member for Burrows in connection with water rights at Hudson's Bay. I'd like to ask one or two other

(Mr. Paulley, cont'd)... questions in addition to this of my honourable friend. He may recall that during the summer of 1962, prior to the calling of the election of that year the members of the legislature went on a tour up north on which we handed out a whole flock of buffaloes to a lot of people up there. Also at one or two of the receptions that were held the First Minister of the province made great headlines by announcing the granting of leases for oil rights in the area of Hudson's Bay. I am sure that this received a lot of mileage and possibly contributed to the support that was given to the Party opposite in the subsequent election. But I want to hear from the Minister any information that he can give us as to what has transpired since that time. As we refer to the report -- I appreciate the fact that this is a year old now -- on page 76 it is noted the highlight of the exploration for oil was the extension of interest to the previously unexplored area on the shore of Hudson's Bay. And then further on, on page 83 we note there that the search for oil and natural gas was extended to the north by the granting of 12 exploration permits to the Sogepet Limited covering some almost half a million acres along the shore of Hudson Bay between Cape Tatnam and the Ontario boundary and then the question of an additional million eight acres under the waters of Hudson Bay and adjacent to the Manitoba permit areas were issued. And then the report on page 83 goes on to indicate that the -- I think the terminology is that the Province of Manitoba acted as the post office for the federal government. Well, I would like to know if it is possible, from the Honourable Minister to inform us as to how many wells may have been found or if this isn't "hush hush" information at the present time, how many drillings have taken place on the shores of the Hudson Bay which is in the Province of Manitoba, and how many if any have taken place under the water in the Hudson Bay area which I understand is under somewhat of a dispute as to whose jurisdiction these areas are.

MR. LYON: I have nothing further for my honourable friend on the . . . . . operation in the Hudson Bay area other than what he sees in the annual report, except to add this, that they were anticipating drilling one or more holes to test stratigraphic sections in the area. However, I think it's proper to point out that any drilling in this area, particularly in the off-shore permit areas, presents some fairly formidable problems, not only in the mechanics of it but in the logistic supporting the operation and the various techniques that must be used. We understand that the company is attempting to interest some major oil companies in participating in this drilling program. I have no further information other than that at the present time.

MR. PAULLEY: . . . . . recall correctly however, at the time that I refer to when the announcement was first being made by the First Minister on our trip up north -- it may have been only coincidental that this was done while we were up north, that is the announcement of it -- but the indications at that particular time as I recall, Mr. Chairman, were to the effect that immediate action was to take place -- or in the process. Now this is back in the summer of 1962, and outside of the snowfall of yesterday, we figured that we were getting close to the summer of 1964. Two years have passed by almost. I can appreciate as the Minister can, I am sure, that we're dealing with a report that is a year old -- as a matter of fact over a year old now. Can I take it then from his remarks that in the document that he has before him that there's no indication -- that nothing further has been done since the report that we are now having under consideration; indeed, Mr. Chairman, can I take it for granted that actually nothing of any material nature has taken place from the announcement when it was first made by the Honourable the First Minister prior to the election of 1962.

MR. LYON: Mr. Chairman, I don't think my honourable friend would want any citizen of Manitoba to take it that way at all, because he knows himself from having read the report, what was contained on page 83 of our last annual report, that in '62, from '62 and '63, an aeromagnetic survey of these vast permit areas was completed in '63, and then during the summer of '63, I think -- I'm reading from my own notes -- the summer of '63, geological examinations were made of sedimentary sections exposed on Mansel, Coats and Southampton Islands. Now, these are vast areas that we're talking about here, and I don't think it would be fair or proper to say that nothing was done. These tremendous surveys were undertaken. Now I have nothing further on either the aeromagnetic or the sedimentary sections that were taken, other than what I mentioned about the apparent desire of the company to interest an oil company now to assist them in the actual drilling; but much better than me, I'm sure the Member from Burrows can tell my friend the Leader of the NDP that there's a fair amount involved in

(Mr. Lyon, cont'd)... aeromagnetic and sedimentary sections on such a vast tract of land as is under consideration in this Hudson Bay area.

MR. CHAIRMAN: The Honourable Member for Burrows.

MR. SMERCHANSKI: Mr. Chairman, in yesterday afternoon's report the Honourable Minister mentioned that they are trying to create some type of an incentive to attract and encourage development companies to come to Manitoba. I wonder, what is the nature of these incentives to encourage development companies to come into the province with reference to mineral developments?

MR. LYON: ..... oil fields and in the field of oil we asked the two petroleum associations, the small independent and the larger groups, I believe as was done by the Province of Saskatchewan, to give us some idea of what incentives, what types of programs, government-sponsored, they were looking for in order to increase exploration and thereby hopefully production in Manitoba. We've received from these two associations some -- but I'm told there are some excellent ideas which are presently being reviewed by our consultants and that was the import of what I had to say yesterday. At the present time I haven't seen any reports from the consultants as to their findings with respect to these recommendations, but really in effect what we did was go out and seek from these associations some ideas as to what they would like to see by way of incentive programs for Manitoba in order to encourage them either to expand existing operations here or to have new people come in and look over our resources.

MR. SMERCHANSKI: ..... with the Honourable Minister, and I think that certainly we in Manitoba have been backward and bashful in reference to the development of our mineral resources in the Pre-Cambrian Shield. I think that there's a certain lack of enthusiasm; there's a certain backward position taken by our department and I think, especially on behalf of this government. I think that we should adopt a more optimistic, realistic approach on the development of Mines and Natural Resources in terms of mineral deposits, and I think that we should not -- and I would like to lay it out possibly in two or three approaches, and one is this: Let's not be afraid to get out and talk about our mineral resources. After all, we are the nickel capital of the world. Now I think that no other province or country in the British Empire, or for that matter in the entire world, can boast of being the nickel capital of the world, and I think that this is a very important item because much more and many more nickel mines will and can be found in this area of Manitoba, and yet in all our advertising, in all our approach to mineral developments, this does not seem to be the type of philosophy that we seem to be living, which we should be.

The other one is that in Ontario and in Quebec you do get a very enthusiastic approach on mineral development. Here in the Province of Manitoba we have a tendency to say that it is too much on the promotional side. Now let me tell you this, that unless you're going to have an optimistic prospector and unless you're going to have sufficient private funds to develop these possibilities, you'll never develop or find a single mine in Manitoba. This is of utmost importance to us, and I don't think that we should dampen the enthusiasm of some of our people, as long as their enthusiasm is genuine and as long as their motives are clear cut and that they are not fooling themselves or the public, because nobody can blame you for being optimistic. Nobody can blame you for trying to develop a mine; and as long as you maintain it in that spirit then I think that this is what should be encouraged. This is the type of spirit that should be encouraged.

I feel that we in this House, and certainly the residents of Manitoba, have no conception and no idea of the amount of speculative money that's being spent in reference to the diamond drilling and developing of new ore deposits in Manitoba. Now, how many of these drills are going to develop ore deposits is another thing, but if the batting average is only five or ten percent this is better than the average Canadian development of new ore bodies, and we in Manitoba today are encountering the largest diamond drilling mineral developed program in the entire history of our province, and yet you hardly hear a thing about it. You hear it among the people who are interested in mining but among the average public this is not even known. And this is a very vital development to this province. This is something that's a basic industry, and I would like to leave this with the department -- and not in particular with the department because this is government policy. I do not find any fault with the management of the department because as mentioned by the Honourable Minister, we have a very competent group of

(Mr. Smerchanski, cont'd)... personnel operating this department, but I think that this government should develop and take upon itself a more realistic policy in reference to the initial prospecting, diamond drill development, and the basic trenching and development of mineral deposits in this province, and I say, Mr. Chairman, that I really am somewhat amazed with the lack of enthusiasm on the forward-looking policy of this government, because we have a possibility to develop several other nickel mines. True, they won't be another International Nickel, but they are going to be nickel mines that can contribute in terms of many, many millions of dollars of production in the field of nickel and copper production, and I merely leave this to the attention of the Honourable Minister because I do think that his policy should somewhat be a little bit more dynamic, as sometimes the opposite members have a tendency to use this word, and I do think that they can also afford to be a little more enthusiastic and optimistic because this is the type of optimism that will bring in more money and more development from other provinces, from the United States, and it will attract the bigger companies who have the ability to spend this money on development to spend it in our province.

MR. FROESE: I would like to emphasize what's been said, that we should do a bigger selling job for Manitoba, and since he's mentioned nickel and that we are the nickel capital of the world, I think we should have a nickel dollar coin, and get this done for the 1967 celebration. It'll take some time to get this done but let's get it done. This will be a larger coin than the silver dollar naturally, but I'm sure many, many people would like a souvenir of that type and this would bring it to the attention of the people of this province and other provinces that we are the nickel capital, and I think this is a thing that we could bring about and we could really focus attention on this matter.

MR. PAULLEY: ..... if the Minister would take a look at page 95 of the report of his department for the year under review, I note that under Mineral and Royalty Tax Division that during the year under review there was a total of 1,377 assessments made under The Mineral Taxation Act. The total assessment was \$11,380,000-odd on which a tax was levied of \$91,427, compared with an assessed value of \$11,930,000 and a tax of \$95,791 for the year 1961, which indicates, according to these figures, that total assessment under The Mineral Taxation Act was lower in 1962-63 than it was in 1961. Then the same section goes on to indicate, Mr. Chairman, that assessments made under The Mining Royalty and Tax Act totalled 60, with taxes assessed amounting to \$945,000 for 62-63 compared with 599,476 for the previous year, or an increase of 57.67 percent, or roughly speaking, \$345,000 in increased revenue to the province under The Mining Royalty and Tax Act, and yet, Mr. Chairman, if we note on page 87, showing the total mineral production of Manitoba of just the metals produced, there was an increase in the final value of 1961 of \$73 millions-odd compared with approximately \$129 millions in 1962, or a difference of, roughly speaking, \$53 millions of an increase in production the year 1962 over 1961, and as I note, as I mentioned earlier, Mr. Chairman, there is a reduction of the revenue under The Mineral Taxation Act of about \$4,000 and an increase of \$345-odd thousand in respect of revenue under The Mining and Taxation Act. It just doesn't seem to jibe to me, that the assessment should be down, the royalties up, and that we should only receive approximately a third of a million dollars of a total increase of production in metals alone -- not taking into consideration non-metallics -- an increased production of over \$53 million.

MR. LYON: Mr. Chairman, I am happy to have the contribution of the Honourable Member for Burrows on this total question of promotion in Manitoba because he is certainly a man whose name is an illustrious one in the mining fields of this province and indeed in other parts of Canada, and I can tell him that so long as I occupy this portfolio I'm going to keep a pretty close ear to anything that the Member for Burrows tells me, because I've never seen a situation where a Minister of Mines could have right in the same Legislative Assembly his own mining consultant provided by the Opposition -- may I say at no cost to the people of Manitoba. So we'll listen with a great deal of interest to anything he has to say, and if he's wrong -- and I don't know that he's going to be wrong on too many occasions; he's a pretty sound, sober individual -- if he's wrong I may occasionally from time to time have to tell him, but in my salad years in this portfolio at least, I'm afraid I won't be in the position to correct him too often -- not with the vast background of experience that he has. What he has said about mining promotion I hope does not reflect on the permanent staff of the department,

(Mr. Lyon, cont'd)... because these are men that I find to be, particularly in the Mines Branch men working under Jim Richards and under Bert Gobert, the Assistant Deputy Minister, these are men with a tremendous amount of enthusiasm for their work and for Manitoba, for the developments that have taken place and that they anticipate will take place in our province, and if there has been enthusiasm lacking I hope that he will ascribe that lack of enthusiasm to the ministerial level, because then when I get onto that ground I can talk with a little bit more certainty because I know that there is no lack of enthusiasm at the staff level at all.

Now I'm following in this portfolio I suppose what might be described as one of the most enthusiastic Mines Ministers in Canada, and if I were to try to keep up to his pace why I'd be going at about 20 hours a day, because he was a whirlwind of action in this field and he was the one, as I mentioned in my remarks yesterday, who started what I feel is one of the best promotional ideas that the Department has undertaken in some time, namely that of person to person contact by the Minister of Mines of this province with leading development companies, not only in Canada but on the North American continent and perhaps in other parts of the world, and as I mentioned yesterday I intend to keep up this type of contact that was started by the present Minister of Health, because certainly it is the type of thing that is conducive to bringing into our province or enhancing from within our own province from investors and people who are already here, further development in our provincial resources. So I don't think that we find too much disagreement except on this point. I hope that he can find me as enthusiastic. If he says that I'm nearly as enthusiastic after a year at this job as my predecessor I'll be quite happy, because he was a whirlwind in this field and it's quite a job keeping up but we do, as a government, subscribe to his ideas that there must be enthusiasm on the part of the government and those working in the field. I think that enthusiasm is present. I hope that even though we can't produce the ore bodies, we can't send the people out into the field to find them, I hope that any developments that do take place in the years to come will certainly be as a result, partially at least, of some of the enthusiasm generated by the departmental staff, and may I add hopefully, by the present Minister.

MR. MOLGAT: Mr. Chairman, I wonder if the Minister is going to give us any report at all on the San Antonio situation?

MR. LYON: Mr. Chairman, I can give a very brief general report on the San Antonio situation insofar as our stewardship over that company is related to the matter of loan to the company pursuant to the statute that was passed at the last session. There are other matters of detail that we do have some information upon, that perhaps no good purpose would be served by making general announcements about them, but I think the main factor that can be given to the committee, Mr. Chairman, is that of the total amount permitted to be loaned to the company under the statute of last year, as of the present time \$185,000 of this total amount has been taken up by the company, and I can add that their exploration has been somewhat considerably in excess of that amount. You will recall that the amounts of the loans were for exploration and development work in the mine. I should perhaps have said number one, most important, that mine is still operating today in Manitoba and that was one of the prime purposes of the total exercise. Number two, \$185,000 of the total amount committed has been loaned to the company. Number three, they have had troubles. Of course they have had troubles. It's been a tough operation for them but I think credit is due to the management and the consultants they've had in. They've kept the mine operating and it's like farming to a large extent -- there's always tomorrow; and some of the recent indications are that they're hopeful about what they have been finding. I have other information on grade and quantity and so on but I don't know that necessarily any public purpose would be served by giving it. I'd be quite happy to share it with my honourable friend, the Leader of the Opposition, or the Leader of the New Democratic Party some other way if they wish to have it, but generally speaking, that is a very general picture of the position of San Antonio today.

MR. MOLGAT: .....for the information and I certainly would not want the Minister to reveal any information here that would be of any possible embarrassment to that venture. It's a business venture and I don't want to be harming them. What I was concerned about is the contribution that we have made to date and whether there's some improvement in the condition and if prospects are good for continuation.

MR. SAUL CHERNIACK Q. C. (St. John's): Mr. Chairman, this reference to the San Antonio Mines brings me to the question which was bothering me a year ago, and that is the danger that this type of problem could occur, and has occurred, in connection with other development locations, other one-company towns, and I would like to feel assured that the Department is looking at all of these one-company type of towns to try to forecast for itself problems which may yet arise of this similar nature. I would like to feel that the Department has a policy of some kind in attempting to forecast the problem before it actually becomes as urgent as it was last year at about this time. I don't know how this problem would have been handled had this House not been in session last year. I don't know whether the government would have had the power to do what it did last year, and I did feel then, and I still feel, that it rose to the occasion very quickly last year and did make a strong effort to deal with what appeared to be an emergency problem. I'd like to know just what plans the government has made in this regard, what efforts it is continuing to make to study other situations of a similar nature that may arise, and I'd like to think that thought has been given by the government to dealing with this in the future. I'd like to suggest that companies should not be permitted to step into the province, drain its natural resources, without a responsibility to the community which it creates to see to it that it is not left in a vulnerable position in the event that the company for one reason or another, be it because of lack of natural resource to continue to develop, or be it because of the factor such as happened over a year ago of fraud or some pseudo or close to criminal act took place in connection with this particular mine. I hope that the Minister will be able to give us some idea as to what efforts are being made to prevent another occurrence of a similar type.

MR. FROESE: I think we should get a little fuller report on this matter. After all it involved considerable time last year and we had a very full discussion on it and I would like to know more of the progress that it's making. Will this company require more funds as we go along or is the agreement that was made at that time sufficient? Also did the company secure able management at that time? Apparently the management of the mine had left and they at that time did not have the management that they should have.

MR. SMERCHANSKI: Mr. Chairman, I do believe that a consultant was not appointed by the government in reference to this loan. Is that correct? I would again like to lodge the strongest protest I could in this direction, because all the money that you lend to any institution is not worth too much if it hasn't got proper guidance, and it is true that the company knows its day-to-day operation but believe me -- and I speak of experience -- there's nothing nicer than to inject some new blood into an operation to revitalize it and either make it successful or not successful, and I think that I will again repeat that this government should definitely have stepped into the position of making it mandatory of that loan to provide a consultant. Now a consultant could give guidance, direction, and quite frankly this is the greatest contribution that could be made and I am amazed at the policy of this government in not seeing this. Now this isn't something that I have concocted from the top of my head. This is not something that is taken in the mining industry as being something of somebody's particular choosing. These are actual facts. People working with their problem, people working in a mining operation, cannot see the overall problem. Their overall planning is a bit confused, a bit hazy, and there's nothing like having an outside man come in -- and I again say to the Honourable Minister of Mines that we have got very competent men in this province, both on the Department of Mines and on our University staff, who are of utmost competence to give proper guidance to these people and this is the guidance that they need. Some of the stories that I heard in reference to the work force during last summer, last fall and even this winter, if you had a proper consultant in the capacity of giving them this advice this would not happen, and I think that we are fooling ourselves to a large extent by not interjecting ourselves into making it mandatory to have an outside consultant. This is the cheapest type of insurance that you can afford to buy. Not only that, aside from the fact that we've made the loan, the additional insurance that you're buying is that you can create either a perpetuation of this operation for years to come or you might just as easily close the door on the whole operation, and I again reiterate and leave this to the Minister of Mines that I think that you can contribute more -- this government can contribute more in the way of an outside consultant than in any other way, and I urge you to reconsider this with your staff -- they know best -- and appoint a consultant who is not going to interfere with their operations but who is going to be there to guide them,

(Mr. Smerchanski, cont'd)... give them proper decisions and give them encouragement and help whenever they need it, and I think that this is of vital importance. This is just a small part of the cost of insurance to make this operation successful. I would also like to say this. The fact that we as a government, or you as the Government of Manitoba, we as members of this legislature, have interjected ourselves into the problem of San Antonio, I again say to you it is the government's responsibility, it is the government overseeing the problem that this does not result in failure, and I think that if the government pays a little closer attention in the direction of a consultant, I think that you will begin to realize the importance of this application. This is being done by companies like Noranda, Timmins, any other large company. Before they go into an operation whether it's a going operation or whether it's an initial operation that you're going to examine with the possibility of developing a mineral deposit, you always have one, and sometimes two and three consultants, and this is the field in which this government should interject itself seeing that you are in it, complete the job and finish the job, and I urge you to give this some real serious consideration.

MR. MOLGAT: Mr. Chairman, the Honourable Member for St. John's asked a question regarding the future of . . . . . and I don't think he got an answer from the Minister. I'd like to refresh his memory because his predecessor apparently was going to do something about this. A large headline in October '63 said, "Province to adopt get tough policy on ailing mine. New legislation planned to prevent any more San Antonio crisis. Manitoba's mining companies will be called together next month for a heart to heart talk with provincial mines and natural resources, C.H. Witney." Mind you, Mr. Chairman, this was some several months after the legislature had recommended strongly that some action be taken in this regard. But better late than never, something was done, or presumably was done. It said, "It was learned Friday that Mr. Witney is currently making plans for a November meeting of all mining firms operating in the province to warn the companies about their financial dealings so there won't be a recurrence of last spring's San Antonio Mine crisis" -- and I skip; later on in the article it says: "however, Mr. Witney's department doesn't want to be faced with another San Antonio situation in the near future; therefore mining executives will be warned next month that no further provincial funds will likely be forthcoming to aid ailing underground operation." And, "the San Antonio situation will also be responsible for the introduction of new provincial legislation to prevent majority shareholders from disappearing after depleting a company's working capital." This is what happened in the San Antonio case where the principal owner vanished leaving the province to foot the bill. I wonder if the Minister could inform us at this stage the results of this conference and what specific action has been taken by the government to make sure as they say that these things don't recur.

MR. LYON: Mr. Chairman, I appreciate the Leader of the Opposition reminding me about the question from the Honourable Member for St. John's. The meeting that my honourable friend refers to was held between my predecessor and representatives of the major mining companies in Manitoba, and while of course I wasn't present at that meeting, I understand that the matter was discussed rather thoroughly of the situation vis-a-vis mining towns or towns that are largely if not totally dependent upon a one business operation such as a mine and while I don't have the note of the actual meeting in front of me, I can't seem to put my hand on it, the import of the meeting was this: That there was no need for a change in legislation vis-a-vis local government district setups or anything of that nature arising from the discussion that was held at the meeting, and that the companies were advised of what measures were open to government to take with respect to these matters. No recommendations were forthcoming as to any changes that were required vis-a-vis the relationship of the mine to a company townsite.

Now with respect to the matter of The Companies Act and the position of minority shareholders, this is a matter that's in the hands of the Honourable Provincial Secretary. There's nothing in the way of legislation at this session of the Act because it has to do with -- I know from some other experience it has to do with the whole field of corporate insiders and this is a matter that is receiving consideration by the Deputy Provincial Secretaries right across the country. As a matter of fact we were in contact with Ontario about this matter because they had had some experience with it as well. But I understand from him now that there's no legislation at this session, although the matter is still current in that department.

MR. MOLGAT: Mr. Chairman, I notice a major revision of The Company's Act. I must confess that I have not read the large Act that has come before us. -- interjection -- Oh, this is not in The Companies Act? This is another Act altogether? Could the Minister indicate then when he might be doing something because it was indicated in this news item that we would be faced with legislation this year. Now if it's very difficult to do I can appreciate he may want more time. Can we depend on having something next year?

MR. LYON: .....being looked at as I understand from my honourable friend without interjecting him into our debate -- still being looked at in the Department of the Provincial Secretary and also in the Department of Utilities through the agents of The Securities Act.

MR. CHERNIACK: Mr. Chairman, I do thank the Minister for giving us the information which he did, but I understand that other than learning that there was a meeting such as referred to in the news clipping, the meeting with mine owners, the mine owners apparently came to the conclusion at that meeting that there was nothing that could be done by the mine owners under the Local Government Act. Is that the explanation that we have? Well is there anything that the government came up with that the mine owners could do to prevent this repetition?

MR. LYON: Mr. Chairman, without getting into the detail of a meeting that I didn't attend and the notes of which I can't unfortunately put my hand on at the moment, I think what I was trying to suggest to my honourable friend was that this situation exists, that in a number of our major mining operations in Manitoba these are covered by agreement with the province -- I'm thinking now of International Nickel, of the Snow Lake site, the Lynn Lake site and so on -- these are covered by agreements that were entered into at the time the operation was started. The older operations such as the operation at Bissett, such as the Town of Flin Flon, are not covered by specific agreements of that nature, but as I understand it subject to correction by my colleague the Minister of Health, it was decided at the meeting that there was no need for change, substance of change of any sort, in any legislation affecting either the local government district setups or the older setups, where they have townsites not covered by agreement.

MR. SMERCHANSKI: .....done anything about the matter of safety dogs in mine cages and what the latest development is in that matter.

MR. LYON: I believe the question of safety dogs in mine cages -- my honourable friend was good enough to give me some notice of this question in order that perhaps I wouldn't answer something about dalmations or fox terriers -- but by and large the safety dogs that are used in Manitoba are either of the two, the double or the triple tooth tie, except at International Nickel I believe where they have the -- is it the Keppy -- Keppy type of safety device which is as I understand it four cables attached to the corner of the cage itself which obviates the necessity of the safety dog, and of course as all members of the House will know, along with the Honourable Member for Burrows, the safety dog is a device that comes into operation on the mine cage when the cable breaks, the teeth then move in and take hold of the cage in order to prevent it from falling and injuring miners.

MR. SHOEMAKER: We have just laid on our desk this very colourful little booklet, "Fish, Manitoba." I wonder if it is the book that is referred to on Page 125 of the annual report under the heading Departmental Revenue, sub-heading General Branch Revenue, Sale of Booklet, "Fishes of Manitoba," \$186.00 -- interjection -- Well what is it that we sell for \$186.00?

MR. LYON: .....book by the late Mr. Hinks that was produced by this biologist who was with the department, who unfortunately lost his life during the last war, and then there were additions made to it by the present Director of Fisheries, Mr. Kooyman. The book has been republished and there are some sales of it still. It's an excellent book. I've got one in my office. If my honourable friend would like to look at it, and if he considers it worth the price of purchase, I can then tell him what the price of that purchase would be.

MR. MOLGAT: Mr. Chairman, I wonder, and I think the ..... may have made a statement on it. Earlier in the session I had discussed the matter of potash developments in Saskatchewan. I believe that the same vein extends in the Province of Manitoba, and certainly insofar as Saskatchewan is concerned, in the oil developments, we have had an advantage over them in that our oil wells are not nearly as deep as their own and the cost of developing one is not as great. We haven't been as fortunate as they have in our finds, but certainly there has



(Mr. Lyon, cont'd)... been a better position so far as costs I believe. Now if this is so, is it possible that in the case of the potash developments similarly the overburden would be less in Manitoba than in Saskatchewan, and that we could end up with a better cost factor for mines. I believe there was some publicity some time ago about the possibility of potash in the area south of the Riding Mountain, vicinity of Russell, Binscarth and so on through there. Are there any explorations going on and is there any possibility -- can we look forward to potash developments in Manitoba as they are presently going ahead in Saskatchewan.

MR. LYON: Mr. Chairman, there were no new potash developments in the province, the Tombo mines are the lessees of two potash leases, each comprising from 4,000 acres issued on the 8th of January '62, and the 28th of September, 1962. The second lease contains an obligation to expend the sum of three million on development during the first five years of the term of the lease, and then failure to meet this obligation of course results either in the cancellation of the lease unless an extension is given by the Minister of Mines. The company we understand is attempting to arrange some financing in connection with this matter. The Potash is a fascinating subject and a particularly interesting one to Manitobans because, as my honourable friend properly points out, because of this excellent development that has taken place in Saskatchewan. One of the problems as I am advised by the branch in Manitoba, is that the potential of our reserves is not as great, that is of our known reserves, is not as great as the reserve body that they have in Saskatchewan. The question of overburden and all of these other matters of course come to the fray in the subject and there are many papers of a technical nature, some of which I have seen, which have been issued on this subject but if I can summarize here just for a moment, I think I can give a more generalized picture. The proven Saskatchewan reserves are much larger at the present time than Manitoba's. The total potential in Saskatchewan at the present time of over 150 billion tons of ore, and this of course is in much greater amount than our proven potential here. Only the eastern edge of this potash salt basin extends into Manitoba, whereas the whole basin underlies a large portion of southern Saskatchewan. Now I'm going to take the advice immediately that was proffered this afternoon by the Honourable Member from Burrows and say that while at this stage in our development it would not appear that our chances are as good as Saskatchewan, still we know that potash is the subject matter that is in great and growing demand each year and we know as well that one of the financing problems that would be required, the estimated cost of a potash development, that is, the plant that would turn out 4,000 tons per day, is some \$30 millions. This is a large investment. This is the kind of investment we'd like to get in Manitoba. We, as I mentioned, have these acreages or leases out at the present time to this one company and we're hopeful that they can perhaps uncover greater reserves than we feel are available at the present time. We're hopeful as well that financing -- that when these reserves prove up, that financing will then also be available to make sure that this resource can be developed in Manitoba.

MR. MOLGAT: Mr. Chairman, did I understand correctly the Minister to say that agreements with this company for these two leases involves their spending \$3 million within the first five years of the agreement?

MR. LYON: That is what I am advised, yes.

MR. MOLGAT: And if the agreement was signed in 1962, which would mean that by 1967 they would have had to spend \$3 million. So far, what have they done insofar as exploration? How much has been expended to date and what progress are they showing in the development of their leases to warrant their holding them?

MR. LYON: I'll have to get that information. I don't have it with me at the present time.

MR. LEMUEL HARRIS (Logan): Mr. Chairman, . . . . in Saskatchewan, in Esterhazy, the mine itself, the shaft, cost \$40 million. So when they talk about \$6 million in Manitoba and they haven't the resources in Manitoba that they have in Saskatchewan, they have one strata there -- I'm not quite sure now -- but there is thousands of pounds pressure per square inch and they had to lead down through 200 feet and freeze the whole works solid and then take it out by drill, take it out by drill, take it down. It cost them \$40 million for a shaft alone, but their potentiality is so much greater than ours here that potash now has taken ahead of the oil in Saskatchewan. It is the number one in Saskatchewan ahead of the oil. Now I don't see that happening in Manitoba because your field of potash here is smaller; it's just an extension into Manitoba from the main field and I don't know whether it would pay to carry on on a big scale here because of the vast expense.

MR. WRIGHT: In looking through the report, Mr. Chairman, I notice that we have 8 aircraft, 2 Otter and 6 Beaver, I believe. Then earlier in the report we were talking about Canso Water Bombers. I just wondered who operates them. Do they come under a government air service or do we hire them?

MR. LYON: . . . aircraft that are hired on a tendered basis for this specialized service.

MR. CHAIRMAN: Item 9, Lands Branch passed. The Member for Rhineland.

MR. FROESE: May I ask the Minister some questions? Before, on Item 6 when we had the heading there Mineral Services and Lands and I didn't notice that we had a separate item under Lands, I wonder if he could answer those questions at this time.

MR. LYON: . . . . 70 of the report.

MR. FROESE: That's right.

MR. LYON: There are only -- land sale cancellations, -- 19 of these during the period reported upon by the report. I don't have the details of those in front of me, Mr. Chairman, I can only speculate that these would be sales perhaps of an older nature where payments had not been made for some considerable time and quit claims were obtained from the persons who wished to give up the land or alternatively, people who had kept their land up to date, and who wished to get off the land and perhaps gave it back to us for a nominal consideration.

MR. FROESE: The lands that are referred to here, are they more or less from one location or are they from various areas of the province and the people that voluntarily then quit, was it because of the inexperience more or less that they decided to leave the land?

MR. LYON: As I say, I don't have the details on each of these 19 pieces. I can only again speculate that these would be in marginal areas and they would be, probably with 19 of them giving them up there would be 19 different reasons perhaps for the land being given up.

MR. PETERS: . . . . this is the department that last year I raised the question of lots that become available different places at summer resorts where they were bid on and when you get the circular that's sent out from the department they tell you that the minimum bid is \$25 or \$50 or whatever it is, and people bidding on these lots find themselves way out of line when the bids are finally all received. I know of cases where the minimum bid for a lot asked for was \$50 and the people that got the lot had bid \$1,200 on the lot and I mentioned last year that I didn't think this was a fair way because the people with the money will get the choice lots and get what they want, but an ordinary person wanting a lot will never get one at the minimum bid, and I asked the Minister last year to look into this. I wonder if he's looked into it. I thought that if they'd do it the way they do it in Ontario where there's a set price, if there's more than one person asking for a lot that the names are put into a hat and then the one that's drawn gets the lot instead of this bid system.

MR. LYON: Mr. Chairman, just one little piece of verification on the potash leases that I spoke of. One lease of 4,000 acres, the rental of \$1 per acre per year -- the second lease is the same acreage -- 4,000 acres -- the rental is the same, \$1 an acre per year. It's on this second one that they must spend \$3 million within 5 years or surrender the second lease. That's the more definitive detail on that. Now on the land -- I'll just have to take a moment; I know it's here. I know the problem that my honourable friend is after. I'll just have to find it.

MR. GUTTORMSON: The new policy regarding hay leases and hay permits is causing considerable concern in my constituency and I know many other parts of the province. As I understand it from the people in my area and some in other parts, the new policy has jumped the rates from three to four times that of the old rates and it seems to me it's grossly unfair to charge the people this exorbitant rate that's been put into effect. I certainly approve of the long-term leases but I don't think that the big jump in the hay leases and hay permits is justified; and we've had reports from the Minister of Agriculture who is encouraging the family farm, talking about increasing the cattle production in the Interlake and this very policy is helping to destroy the family farm. Many of the people feel they just can't afford to pay these new rates. As I understand it now, a man pays I think \$4 and some cents for a lease and then so much a ton; I think it's 90¢ a ton. The old rates were \$3.00 and 25¢ a ton. Some of these quarters that the farmer leases, because of weather conditions and what-not, they never even get to use the land at all, and I think that the Minister should encourage the government to reconsider this policy which appears that it could cause a lot of hardship to the people in the unorganized, where most of this land now exists.

MR. SCHREYER: . . . . this line of questioning just a bit further. According to the Minister's remarks which he made yesterday on introduction of his estimates, he said that pursuant to the new policy they were going to classify each quarter-section or each parcel of Crown land according to its cattle sustaining capacity. I presume that refers both to grazing

(Mr. Schreyer, Cont'd.) . . . and to hay land. I wonder if this program of classification is well on its way. I presume it is, because here I have for example a note to the effect that one individual who was formerly paying \$16 lease fee per quarter in addition to the 90¢ a ton is now being charged \$56 for the quarter. Now this is an increase of about 200 percent. I presume it's because it's been classified and shown to have quite a high cattle carrying or sustaining capacity. The Minister goes on to say that there will be provision for review or appeal of the classification, and I would like to ask him what would be the procedure for this appeal and who is going to act in that capacity as an appeal tribunal or for it or whatever? Is it going to be a ministerial appeal type of thing, or what? And then allied to the question asked by the Member for St. George, what about the policy of this government regarding those who do some improvement on the land which they lease? Now, in the case of this individual who is being charged \$56 a quarter for his hay lease, let us assume that he could increase the productivity of the quarter-section if he were to do some bulldozing and some disking and so on. Let's say he could increase the capacity from eight tons to about 20 or 30 tons, an increase of let's say 300 percent. Would his fees go up 300 percent? Is this part of the policy? And if this is the government's intention I think that they are barking up the wrong tree, because it would simply discourage anyone from wanting to undertake any sort of expense to improve the hay productivity of his leased quarter-section or whatever acreage he has. I believe that pretty well covers what I wanted to ask, Mr. Chairman.

MR. LYON: I have the latest figures on the leasing program that the department undertook as a result of the policy statement which was made last year by the Minister and then subsequently the regulations pursuant to that policy that were made during the latter part of 1963 by the government. Since the first of the year when the policy came into effect, there has been some, already, 1,500 leases sent out; that is, executed and sent back to the lessees, covering a total acreage of 497,955 acres, so we're almost at the half million mark right now. I believe I mentioned in my statement yesterday or the day before that the average lease, working it out to somewhere in the area of 300 acres that was coming in, that was being sought. The total rental to date on this land -- the 497,000 acres -- \$89,914, and we've had paid in to the department thus far some \$52,260 of that total amount. Today, as an example as I'm told by the branch, 60 more leases are ready for mailing and going out to the lessees, so the policy is going ahead; and may I say that the demand for this land is great.

Now I mentioned in my opening remarks, and I reiterate again, there have been complaints such as my honourable friend from St. George mentioned and as were mentioned by the Member from Brokenhead; and in some cases where the classification has been made and where a complaint is received, we have to look back at that classification to see whether it was done 100 percent accurately; and in a job of this size with the hundreds and thousands of acres involved, I'm the first to admit, and so is the department, that there are bound to be some errors creep in in the type of classification that they make, but certainly we do look at all complaints that come in and try to see if there have been gross errors of any sort made in land classification and to adjust those errors if they have been made as soon as we expeditiously can in the department. Now, I'm the first to admit that this is a big policy, a new policy for Manitoba. It's not new for provinces like Saskatchewan and Alberta where they've had policies of this nature for some years. And there are some people undoubtedly who are going to feel that because they are paying more than they paid before that this is prejudicial to them and so on. We've made comparisons and I was looking for the figures here. We have made comparisons though as between Alberta, Saskatchewan and Manitoba, and we find by and large that the land, according to the different categories that we're able to offer in Manitoba -- the leasing price of the land in Manitoba is certainly in many cases less, in some cases the same, and in only a few cases as I recall is it greater than it is for similar types of grades of land and land with the same carrying capacity in our province to the west. For the livestock industry, I must say it certainly isn't suffering any, according to the statistics that we have. So I thank the member for St. George and the member for Brokenhead for these comments. May I ask this, if they have specific cases or areas where they have had complaints coming in in large number, please let us know because this is what we want to know. Perhaps our local people in the field haven't heard of it, because we do like to look at these.

At the present time, I know at the instance of one of the honourable members who brought

(Mr. Lyon, Cont'd.) . . . in a petition to me, we're looking at the classification in the particular area where these people have signed the petition and if there's anything wrong in that classification it will be changed, and if there isn't anything wrong why we'll have to have a meeting in that area -- another meeting perhaps of those people -- to show them why the price is what it is, what the carrying capacity is and so on. And in that connection, of course, I mentioned the large number of meetings that have been held throughout the province by the department of Mines and the department of Agriculture, organized to acquaint farmers, ranchers, and Manitoba citizens generally with the new plan and with the objects of it, with the arrangement of it, with the mechanics of it. And these meetings by and large as I am informed, not having been at any myself, were a success. There were certainly areas where the departmental representatives didn't find people standing up and cheering when they found out that the prices were going to be higher than they'd been paying before, but by and large the policy is understood. As my friend from St. George was good enough to point out, the long term aspect of it I think is pleasing to all. People want the stability to get into leasing on a long-term basis and to be able to make improvements which they really didn't feel they could make under the former annual permit basis that was available to most of them. So the first year, I would classify it this way as a newcomer to the field and looking at it perhaps with a new eye, I would say that the new program is well launched, that there are some area of criticism, proper criticism where classifications, changes perhaps will have to be made, but by and large it's well launched and I think is meeting with the approval of the majority of the people who are having to deal with the Lands Branch in this very major operation.

MR. GUTTORMSON: . . . particular area in which the farmer feels his rates are unjustified. Are you suggesting then, that he should report either through his member or direct approach the department and they'll send a man out to look at the land in question?

MR. LYON: . . . me know at any time or for the person who feels that he's got a complaint, to let the local representative, local conservation officer or whatever, know and certainly we'll -- and I don't say we'll send somebody out the next day -- but we'll certainly look into it because this is what we want to do and if perhaps a complaint has already been received in that area and another look has been made at it, why then we can tell him that we've already looked at it again and this stands; or if it's a new area why we can take another look at it.

MR. GUTTORMSON: But, Mr. Chairman, the government must realize in some of these areas that the roads -- many of the roads which the farmer uses and he shares the cost of these roads and what not -- his costs in many respects are higher for certain facilities because he must share the cost himself, and some farmers have expressed the probability they may have to give up their land and get off their land because they won't be able to retain the land at the new price; so I welcome his invitation to bring any of these complaints to him in the hopes that they will be rectified when we bring them to his attention.

MR. LYON: Mr. Chairman, they'll only be rectified if there's something wrong.

MR. SCHREYER: . . . of cases, can that be dealt with on an individual basis? I have two questions to put to the minister here. One has to do with administrative procedure and the other has to do with quality. I have the impression that many of those who are complaining, or at least some -- put it that way -- some who are complaining are doing so because it really amounts to this. They don't have adequate information as to why the government has set a particular fee level, and I'm wondering whether it wouldn't be good practice for the Lands Branch to indicate on each license or permit the rated carrying capacity of that quarter or however many acres are involved. I think perhaps the Minister could save himself and his Branch some trouble if they were to do this. For example, in this case where the fees increased 200 percent, from \$16 to \$56 a quarter, it would seem that they are now rating that particular quarter's carrying capacity as being 200 percent greater than whatever they thought it was before; but they never really told the individual concerned this and therefore he is somewhat puzzled.

The second point or question, Mr. Chairman, is this. I put the question before to the Minister. I think he overlooked it. What about improvements that might be made by a lessee? In the first place, I take it this is allowed and even encouraged by the Branch, and if it is, do they increase the fee level if improvements undertaken by the lessee should substantially

(Mr. Schreyer, Cont'd.) . . . increase the carrying capacity. It sounds like a dilemma, but I don't think it is. If the lessee is taking the initiative to improve the carrying capacity of whatever he has leased to him, I don't think that his fee that he has to pay should be increased. And so I wonder if the Minister has some comment on this aspect.

MR. SHOEMAKER: . . . ombudsman in my area. I have had a great deal to do with the new leases that have gone out, and I would suggest to my honourable friend, the Member for Brokenhead that he become involved, because it will take up most of his time, and the pay -- we haven't determined -- the Honourable Member for Winnipeg Centre has not yet determined what extra pay we are going to get for this. But there is 1, 2, 3, 4, 5, 6, 7, 8 pages that goes out to every prospector, or every person who held a permit last year receives one of these I believe. And then after reading it all through, if he can comprehend it he takes it to you and then you complete it for him. In regard to page 2 of the application in each and every one that I have completed for my constituents I have asked them the question, "How many head of cattle do you think that the land is capable of pasturing" and I put it down. I put it down there. You see the question asked here on page 2 of the application, "state the number of livestock which the applicant is the sole owner, cattle, sheep, horses. Answer the following questions in connection with the land applied for" and I estimate -- this is the question that they ask of the applicant -- I estimate the maximum (a) area of hayland thereon is so many of acres; area suitable for grazing is so many acres; area covered by scrub so many acres, area covered by marsh and water so many acres, and then has any part of the land applied for ever been cultivated and so on. Now in many of the cases in the applications that I have filled out the applicant has told me that, in the case of a quarter section of land, that 160 acres is covered by scrub when you get up around the area of the Riding Mountain National Park and I always state, "In consideration of the foregoing the land in my estimation will carry only so many head of cattle." Let the government dispute it. This is what the farmer's in a position to know after having rented it for ten years, is in a position to know how many head it will carry. Now I don't know what they're telling my people in reply to this. Some of them come back with the contract, and I've also completed a lot of those.

I would like to ask a question, Mr. Chairman, of the Minister. In this 6 or 7 page epistle that we have here it suggests that the advantages of the long-term lease is because it guarantees tenure and I think that is good as my honourable friend for St. George has pointed out; but I take it that there is a possibility that the fees will change annually not by reason of the change in the carrying capacity. I take it that that remains constant. I'm not suggesting that it should but I take it that it does remain constant but it's only the price of cattle that alters the fee annually. And then it does go on to say though that in the event that there's two or three bids come in for one particular parcel of land that consideration will be given to the highest bidder I believe. Now what do you do in a case of this kind? I mean you have set out what the fees are, you're setting it out here on the one hand, but you're saying on the other hand if somebody else wants to pay us twice as much, fine and dandy, we'll take it. Now that's what I take from this. I'm asking my honourable friend is this so?

MR. GUTTORMSON: . . . if a farmer obtains a lease, I'm not sure, is it ten years the maximum length of time they can obtain a piece of land? If so, can the price alter from year to year, or if they pay a set fee, we'll say in '64, will the rate change possibly in '65 or '66?

MR. SCHREYER: According to the last remarks of the Member for Gladstone if the government is in fact giving out leases on grazing and hayland on the basis of fixed leases and on the other hand but we'll take the highest bidder, this strikes me as incredible. It's a most unsavory practice. It should be one or the other because doing it this way leaves it open much to all sorts of undesirable practices and you can get in some neighbourhoods one lessee who's got a spite to the other, coming in with a higher bid and so on and so forth, so it should be on a more determinable basis, either on a lease system or else on a bid system but working the one into the other I'm afraid is just unsavory, period.

MR. LYON: . . . . tell my honourable friend that the policy that has been adopted by the department with respect to the granting of these hay and grazing permits is as follows: Now on vacant land, that is where -- first of all, let's start right back at the beginning. The holder of a '63 hay and grazing permit which by custom carried with it the right of renewal was

(Mr. Lyon, Cont'd.) . . . eligible to receive without competition a ranch grazing lease or a farm grazing lease under the new regulation. That's No. 1. No. 2, the holder of a '63 special hay permit which by custom carried with it the right of renewal was eligible to receive without competition a special hay permit under the new regulation. Where a person had held a casual permit to cut hay on a specific block of land for the past five consecutive years repeating his application for continued use of the land, he is eligible to receive without competition a special hay permit or a ranch grazing lease or a farm grazing lease. Now these are all without competition, but as my honourable friend will appreciate there very often are pieces of land that more than one person is interested in so the department had to devise a policy to look after those situations.

On vacant lands -- and this is that policy -- on vacant lands when the above conditions didn't apply hay cutting or grazing rights may be disposed of in one or other of the following basis: first, where the only person to apply for these rights is a farmer living within ten miles of the vacant land concerned, he may be eligible to receive without competition a special hay permit, a ranch grazing lease or a farm grazing lease. And a farmer is defined the same as a farmer is defined in The Wildlife Act. Secondly, where the only person to apply for the above mentioned right lives more than ten miles from the vacant land concerned, the hay cutting or grazing rights thereon shall be offered for lease or permit by bonus bid unless otherwise authorized by the Minister. Or thirdly, where two or more persons apply for hay cutting or grazing right -- and this is the commonest one -- on the same piece of land, the right shall be offered for lease or permit by bonus bid. Where identical bids are received preference shall be given to the bidder who lives closest to the land concerned. Now that's the straight statement of policy that the department is operating under. I don't know -- put it this way -- I'm just wondering if there is any better system that my honourable friend can suggest to us because we thought that this was the most fair and equitable under the circumstances having regard to the fact that you won't always find situations where only one person wants the land especially.

MR. SCHREYER: . . . policy regarding improvements and the charging of fees thereafter. I believe the Minister. . . .

MR. LYON: I'm just looking for that as a matter of fact, Mr. Chairman. The other point -- that reminds me though of a further point, of the variable in the cost of the lease itself. My honourable friend from Gladstone pointed out that the annual change will be of course in the price of fees. Every five years the carrying capacity of the land is reviewed as well so there's an annual variable and then there's a five year variable in the carrying capacity as well.

MR. MOLGAT: Mr. Chairman, one of the points. I had a number of points on the whole new system but the one brought up by the Member for Brokenhead I think is perfectly valid. The Minister did not answer it quite directly. He said every five years there'll be a recalculation of the carrying capacity. But the point is that that new carrying capacity at the end of the five years, Mr. Chairman, will be based in many cases on the improvements that the tenant has made to that land. Now this is the part which I feel is unfair in the recalculation of the new rates. When this was introduced last year the Minister indicated, and I agreed with him completely, one of the problems in many parts of Manitoba including the Interlake, the west shore, the area of my honourable friend from Ethelbert Plains, in many cases that the land is covered by scrub poplar and willow and is not as productive, either for pasture or for hayland, as it should be. In order to increase our carrying capacity to the province -- in order to increase our cattle herds, it's necessary that we have improvements in those areas, that we take off the brush cover to permit the growing of good grasses. This will increase the carrying capacity. As well, other things need to be done, such as dugouts and water supply. Now if as a result of a farmer proceeding to do some of these improvements on land that he rents from the department, the carrying capacity goes up, at the end of five years the department will come along and charge him more money for that land because it will say to him what previously carried four head is now capable of carrying eight and up go your rates.

Now this part I think should be changed Mr. Chairman, because if the Minister wants to encourage the farmers to develop this land and improve the land, which I think is the perfectly proper thing to be doing, then he should not be charging them for their improvements in the carrying capacity. It's enough that they had to pay for the improvements themselves without

(Mr. Molgat, Cont'd.) . . . having to pay for them a second time subsequently in higher rentals. This is the policy that I think the Member for Brokenhead is referring to and which I would like clarification from the Minister and I would urge in fact a change in that policy.

MR. SHOEMAKER: Mr. Chairman, I'm wondering whether a lessee can carry out scrub clearing operations on the land that he rents. I'm referring now to page 2 of this document that I have before me and it says under 6, "The structures such as fences, shelters and corrals may be constructed and other improvements such as stock-watering or salting facilities may be made by the lessee with the consent of the Minister and remain the property of the lessee. In the event the lease is terminated, except for non-payment of rental or non-performance of covenants, the lessee must first offer the structures and improvements for sale to the lessor. If the lessor does not accept the offer the lessee may (a) remove the structures and improvements within thirty days; or (b) sell same to or at the time of termination of the lease, but the purchaser thereof is to remove them within thirty days from the date of the purchase." Now it seems to set out here what you can do and what you cannot do and certainly the clearing of land is not one of the things that you can do. It limits what you can do, or what the lessee can do to building fences, shelters, corrals, stock-watering or salt facilities, and I suggest too, as my honourable leader has inferred Mr. Chairman, that certainly if we are interested in increasing the cattle population of this province, and certainly we are, then we must encourage draft legislation that will encourage these people to clear the land, fertilize it if necessary, and increase the carrying capacity to the maximum. We must design legislation to encourage this type of operation and I don't see it in any of the material that I have before me unless it has come out, well in most recent date because I think that the information I have is considered to be up-to-date.

MR. LYON: . . . . get further information on that. The only information I have immediately at hand that I can give to the honourable member is section 6 of the regulations themselves, section 6 of Manitoba Regulations 99 of '63, which deals with improvements, and he read the narrative really of what the regulation says. The actual tie-in -- the answer to his question I'll have to obtain a little later for him. But with respect to the question of the Member for St. George about complaints, we have naturally been receiving some already and we have a draft form of letter that we have sent to the farmers and we encourage them to write, that is if they have complaints, rather than just grouse to themselves about it, we want them to write the department, let us know and we tell them in our letter the lands reclassified by qualified agricultural persons, that we realize that it's possible that an initial appraisal could be in error, and in view of this we will arrange to review the rating in the summer of '64. Meanwhile, that is, this coming summer -- they couldn't review it right now, of course -- meanwhile the lands are available on the basis of the classification which was made in the summer of '63. If the field staff or consultants find justification for the land to be reclassified, then we will recommend that the classification be changed and that an adjustment be made regarding rentals which have already been paid for the 1964 grazing season. If you want to protect your renewal rights on the lands involved it is necessary that you include these lands in your grazing lease for '64. Land which is only suited to hay production may be protected by holding it under a special hay permit. That is the form of letter that is going out to any who have written to the department complaining about the classification and as I mentioned before it's listed in it that we will try to make a review in 1964. So I reiterate again what I said if there are complaints that they hear of either have them write us directly or let him tell me directly about the farmers, the land affected and we'll see that the same treatment is accorded by way of review that is set forth in this letter.

MR. EVANS: . . . . move that the committee rise.

MR. MARTIN: Madam Speaker, I beg to move, seconded by the Honourable Member for Springfield that the report of the committee be received.

Madam Speaker presented the motion and after a voice vote declared the motion carried.

MR. EVANS: Madam Speaker, I move, seconded by the Honourable the Minister of Mines and Natural Resources that the House do now adjourn, and stand adjourned until 8:00 o'clock this evening.

Madam Speaker presented the motion and after a voice vote declared the motion carried and the House adjourned until 8:00 o'clock Tuesday evening.