

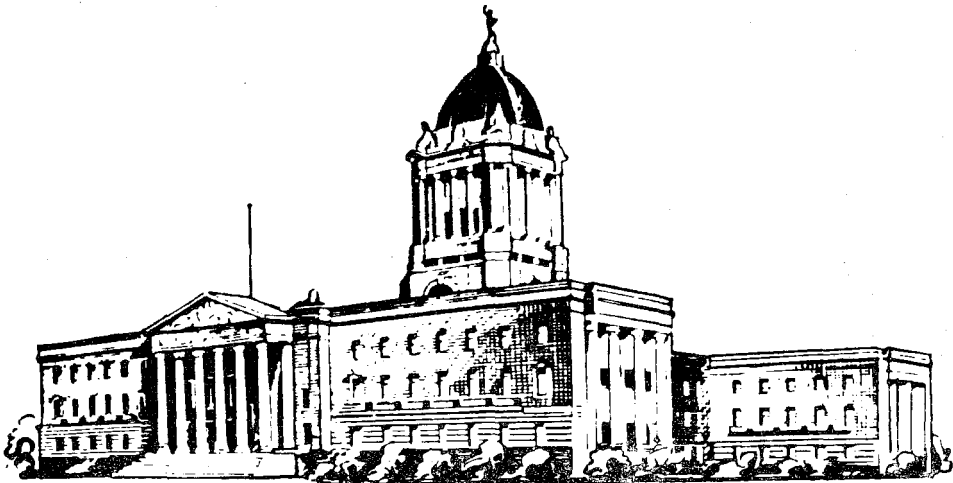


Legislative Assembly of Manitoba

**DEBATES  
and  
PROCEEDINGS**

Speaker

The Honourable Peter Fox



Vol. XXII No. 93 2:30 p.m., Thursday, May 22nd, 1975. Second Session, 30th Legislature.

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Electoral Division	Name	Political Affiliation	Address	Postal Code
ARTHUR	J. Douglas Watt	P.C.	Reston, Man.	ROM 1X0
ASSINIBOIA	Steve Patrick	Lib.	10 Red Roblin Pl., Winnipeg	R3J 3L8
BIRTLE-RUSSELL	Harry E. Graham	P.C.	Binscarth, Man.	R0J 0G0
BRANDON EAST	Hon. Leonard S. Evans	NDP	Legislative Bldg., Winnipeg	R3C 0V8
BRANDON WEST	Edward McGill	P.C.	2228 Princess Ave., Brandon	R7B 0H9
BURROWS	Hon. Ben Hanuschak	NDP	Legislative Bldg., Winnipeg	R3C 0V8
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FORT ROUGE	Lloyd Axworthy	Lib.	132 Osborne St. S., Winnipeg	R3L 1Y5
GIMLI	John C. Gottfried	NDP	44 - 3rd Ave., Gimli, Man.	ROC 1B0
GLADSTONE	James R. Ferguson	P.C.	Gladstone, Man.	R0J 0T0
INKSTER	Hon. Sidney Green, Q.C.	NDP	Legislative Bldg., Winnipeg	R3C 0V8
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LOGAN	William Jenkins	NDP	1294 Erin St., Winnipeg	R3E 2S6
MINNEDOSA	David Blake	P.C.	Minnedosa, Man.	R0J 1E0
MORRIS	Warner H. Jorgenson	P.C.	Morris, Man.	ROG 1K0
OSBORNE	Hon. Ian Turnbull	NDP	Legislative Bldg., Winnipeg	R3C 0V8
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POINT DOUGLAS	Donald Malinowski	NDP	23 Coralberry Ave., Winnipeg	R2V 2P2
PORTAGE LA PRAIRIE	Gordon E. Johnston	Lib.	26-120 - 6th St., S.E., Portage la Prairie, Man.	R1N 1E8
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RHINELAND	Arnold Brown	P.C.	Winkler, Man.	ROG 2X0
RIEL	Donald W. Craik	P.C.	3 River Lane, Winnipeg	R2M 3Y8
RIVER HEIGHTS	Sidney Spivak, Q.C.	P.C.	Legislative Bldg., Winnipeg	R3C 0V8
ROBLIN	J. Wally McKenzie	P.C.	Inglis, Man.	R0J 0X0
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SEVEN OAKS	Hon. Saul A. Miller	NDP	Legislative Bldg., Winnipeg	R3C 0V8
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SPRINGFIELD	Hon. René E. Toupin	NDP	Legislative Bldg., Winnipeg	R3C 0V8
STURGEON CREEK	J. Frank Johnston	P.C.	310 Overdale St., Winnipeg	R3J 2G3
SWAN RIVER	James H. Bilton	P.C.	Swan River, Man.	ROL 1Z0
THE PAS	Hon. Ron McBryde	NDP	Legislative Bldg., Winnipeg	R3C 0V8
THOMPSON	Ken Dillen	NDP	84 Pintail Cres., Thompson	RBN 1A6
TRANSCONA	Hon. Russell Paulley	NDP	Legislative Bldg., Winnipeg	R3C 0V8
VIRDEN	Morris McGregor	P.C.	Kenton, Man.	ROM 0Z0
WELLINGTON	Philip M. Petursson	NDP	681 Banning St., Winnipeg	R3G 2G3
WINNIPEG CENTRE	Hon. J.R. (Bud) Boyce	NDP	Legislative Bldg., Winnipeg	R3C 0V8
WOLSELEY	Vacant			

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
2:30 o'clock, Thursday, May 22, 1975

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 62 students, Grade 9 standing, of the La Verendrye School. These students are under the direction of Mr. Humeniuk and Mr. Wickberg. This school is located in the constituency of the Honourable Member for Portage la Prairie. On behalf of all the honourable members, I welcome you here this afternoon.

Presenting Petitions; Reading and Receiving Petitions.

READING AND RECEIVING PETITIONS

MR. CLERK: The petition of Renald Guay and Others, praying for the passing of An Act to incorporate La Centrale des Caisses Populaire du Manitoba Ltee.

MR. SPEAKER: Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports; Notices of Motion; Introduction of Bills. The Honourable Member for Wellington.

INTRODUCTION OF BILLS

MR. PHILIP M. PETURSSON (Wellington): Mr. Speaker, I move, seconded by the Honourable Member for Gimli that Bill No. 24, the University of Manitoba Students' Union Act be now read a third time and passed.

MR. SPEAKER: First reading of bills only. The Honourable Minister of Mines and Resources.

HON. SIDNEY GREEN, Q. C. (Minister of Mines, Resources and Environmental Management)(Inkster) in the absence of the First Minister introduced Bill No. 57, The Pension Benefits Act. (Recommended by His Honour, the Lieutenant-Governor)

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

MR. GEORGE MINAKER (St. James) in the absence of the Member for Pembina introduced Bill NO. 51, An Act respecting the Rural Municipality of Morris, the Rural Municipality of Roland, the School District of Kane No. 2006 and the Morris-McDonald School Division No. 19.

ORAL QUESTIONS

MR. SPEAKER: Questions. The Honourable Member for Portage la Prairie.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, in the absence of the Attorney-General I direct this question to the Minister of Mines and Natural Resources in his capacity as House Leader. The recent announcement by the government that the breweries of Manitoba were going to, to manufacture and market a weak beer, was this caused by actions from the Manitoba Liquor Commission? In other words, did the Liquor Commission request the breweries to produce a weaker beer for the market?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I, at the moment, have no knowledge of the announcement or of the source of the announcement or of the reason for the announcement. I will take the question as notice.

MR. G. JOHNSTON: As the Minister has kindly taken the question as notice, perhaps he could take this question also. Will the government give consideration to cause the Liquor Commission to use its regulatory power to have the sale of a lower alcohol content beer for sports events only instead of a stronger beer?

MR. GREEN: Mr. Speaker, I'll take the question as notice as well.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I direct a question to the Minister of Agriculture and would like to ask him if he has established a committee within his department similar with the powers under the Food and Drug Act federally to look into the bacteria count in all the cheese processing plants in the Province of Manitoba.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture)(Lac du Bonnet): Mr. Speaker, I am not sure that there is a committee established, however there may be. I know that the department

## ORAL QUESTIONS

(MR. USKIW con't) . . . has been very much involved in assisting the various cheese plants throughout the province in coping with that problem, but I don't know whether it's been a formal committee.

MR. EINARSON: Well, Mr. Speaker, probably I should pose the question differently. Is the Minister establishing an authority within his department similar to that under the Food and Drug Act federally to impose discipline action against cheese processing plants in the Province of Manitoba if they do not comply with the laws as far as the Food and Drug Act is concerned.

MR. USKIW: Mr. Speaker, no, there has been no indication that that is necessary. I'm not aware of Manitoba's role in that connection.

MR. EINARSON: Could the Minister then indicate and explain the letter that went out not so long ago to all the cheese processing plants signed by Mr. Wakelin, head of the Process Services of his department.

MR. USKIW: Mr. Speaker, I'm sure that that must be a document that is a matter of course for that particular branch in its normal operation, so that unless I saw a copy of it I would not know what he is talking about. Perhaps the member should have given me notice.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. DAVID BLAKE (Minnedosa): Thank you, Mr. Speaker. My question is to the Honourable Minister responsible for the Public Insurance Corporation. I wonder if he can inform the House that on July 1st when the general insurance comes into effect if they will compete for the insurance coverage on government-financed buildings such as schools, hospitals and the like or, will they insist that they be carried with the Public Insurance Corporation.

MR. SPEAKER: The Honourable Minister.

HON. BILLIE URUSKI (Minister for Manitoba Public Insurance Corporation)(St. George): Mr. Speaker, a statement of policy to that effect was made when the bill was introduced in the last session and the honourable member should be aware of that. The government buildings directly will be insured with the corporation; schools, hospitals and other municipal buildings will not be insured as a matter of course with the corporation.

MR. SPEAKER: The Honourable Leader of the Opposition.

HON. SIDNEY SPIVAK, Q. C. (Leader of the Official Opposition)(River Heights): Mr. Speaker, my question really is to the Minister of Mines and Natural Resources and relates to an Order-in-Council which indicates a change with respect to the bonding I guess of Flyer Industries in connection with the contract with the Miami Valley Regional Transit Authority. I wonder if the Minister is in a position to explain the change and the reasons for the requirements of the change for bonding.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Yes, Mr. Speaker, there was a disagreement with the existing bonding company and attaining of a new bonding company.

MR. SPIVAK: I wonder then if the Minister is in a position to indicate was the bonding company a Canadian bonding company or an American bonding company.

MR. GREEN: The new one, Mr. Speaker?

MR. SPIVAK: The first, the original one.

MR. GREEN: I believe that the first one was Canadian Indemnity and the second one is Federal Reserve. I believe that the first one was Canadian Indemnity and the second one was Federal Insurance Limited. I believe the second one is American, the first one is Canadian, which shows that you can sometimes get along better with Americans than you can with Canadians, which is what I've said many times.

MR. SPIVAK: I wonder if the Minister can indicate then, is he indicating to the House that the bonding company withdrew its bond in connection with this project?

MR. GREEN: Not at all, Mr. Speaker. There was a disagreement as to what the conditions of the bonding were.

In order to resolve the fact that neither side would have to yield to the other, we got a different bonding company.

MR. SPIVAK: I wonder if the Minister is in a position to indicate whether this is applied to other bonds that have had to be given by the government with respect to Flyer Industries.

MR. SPEAKER: The Honourable Minister.

MR. GREEN: No, Mr. Speaker, as a matter of fact that is the germ of the dispute but I'm not going to go into it. But it does not apply to other bonds.

## ORAL QUESTIONS

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, my question is for the Honourable the First Minister in his role as Minister for Manitoba Hydro, relating to the reply to the order for correspondence which the Minister provided on May 13th, and it contained copies of letters from Hydro and the Manitoba Government to the Federal Government, but not the correspondence from Ottawa to Manitoba. My question is, Mr. Speaker, is my understanding correct that the failure of this government to supply copies of the Ottawa correspondence is due to the reluctance of the Federal Government to give permission for this correspondence to be tabled?

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, when the order was accepted it was accepted to the usual caveat that it would require the formal concurrence of the other party to the correspondence. Then subsequently we waited and somewhat to my embarrassment, the time dragged on and I undertook for my honourable friend to, in the interval, table Manitoba's initiated correspondence and with the understanding that as soon as we got concurrence formally communicated from Ottawa, that we would table the rest of the file. The matter is in the hands of staff from my office and the Chairman of Manitoba Hydro, and so I just assume that immediately upon receipt of the concurrence the matter will be finalized.

MR. SPEAKER: The Honourable Member from Brandon West.

MR. MCGILL: A supplementary question, Mr. Speaker. I wonder then if my understanding of the Minister's explanation is that he's still awaiting the reply from Ottawa to approve this tabling of the correspondence.

MR. SCHREYER: Well, Mr. Speaker, as of last Thursday when I last checked that was the case. I cannot swear that we did not get that concurrence earlier this week but if we did I have not been so advised. I can't be more definitive.

MR. MCGILL: Mr. Speaker, then I wonder if I could ask the First Minister to perhaps explain an exchange which occurred in the House of Commons in Ottawa in this respect. There was a question asked by Mr. Dinsdale to the Minister of Energy whether the Federal Government was withholding its approval of the tabling of documents on the subject to the Manitoba Legislature, and Mr. Macdonald's reply was - "No sir, we are happy to table exchanges in this regard. What we asked Manitoba to do was table . . . documents."

MR. SPEAKER: Order please. Order please. I do not believe it's relevant to our procedures what takes place in the House of Commons. The Honourable First Minister.

MR. SCHREYER: Well then I would merely indicate as a Point of Order that that being the case the remainder of the correspondence will be tabled forthwith. I assume that Hansard declaration can be taken as official.

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, I direct my question to the Honourable the First Minister. By way of explanation about the time that the Green Paper on immigration came out, I believe Prime Minister Trudeau wrote a letter to all the provincial premiers asking them to appoint a lead Minister who would help develop a consensus. . .

MR. SPEAKER: Question please.

MR. G. JOHNSTON: . . . the Federal Government. My question is, could the Minister inform us who the Minister in the Manitoba Cabinet is in this regard.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: . . . Right, Mr. Speaker, and that is why the Minister of Labour and the Honourable Member for Thompson are in Ottawa today.

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

MR. SPIVAK: Mr. Speaker, I wonder if I can ask the First Minister a question dealing with the Provincial Auditor's responsibility to the extent that he answers for him. I wonder if he's in a position to indicate whether the RCMP report on Schmidt Cartage that has been handed the Attorney-General's office - or has in fact been forwarded to the Provincial Auditor.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I would have to take the question as notice and check. I am not aware of any procedure here that has required the intercession of either myself or the Minister responsible for the CDF or the Attorney-General. I can only take it as notice.

MR. SPEAKER: The Honourable Leader of the Opposition.

## ORAL QUESTIONS

MR. SPIVAK: I wonder if the First Minister is in a position to indicate whether the contents of the RCMP report dealing with Schmidt Cartage have been revealed to him.

MR. SCHREYER: Not to me, sir.

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, I return to my question. The Minister said that two of the provincial ministers are in Ottawa today. Well first of all could he tell us who the lead minister is, and secondly, could he tell us . . .

MR. SPEAKER: Order please. The question has been answered. There is only one minister went.

MR. G. JOHNSTON: Well, perhaps I can ask my second question then and the First Minister can give a complete answer. Has the First Minister some sort of a policy paper or an announcement to make or to tell us what his lead minister is saying in Ottawa today?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, matters of immigration are federal in nature, my honourable friend is well aware of that. Therefore, the Manitoba Minister that is liaising in this respect is there primarily to listen. We do not intend, even by invitation we do not intend to assume the mantle of jurisdiction for immigration. It is clearly and historically federal.

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker . . .

MR. SPEAKER: Order please. Order please.

MR. G. JOHNSTON: . . . that answer leads one to ask a further question. Is the First Minister saying that he's declining the invitation of Prime Minister Trudeau to have some input into this question?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: No, Mr. Speaker, we are not declining the invitation. That is precisely why the Minister of Labour is there today with the Honourable Member for Thompson who is Legislative Assistant with respect to manpower matters. I should express - if you will allow, sir - just elaborate very briefly to my honourable friend that the Prime Minister's letter dealt with matters that went beyond immigration. They also subsumed the exercise the Federal Government wishes to get launched has to do not only with immigration but also with respect to demographic . . . "demographic patterns" in Canada. Demographic patterns are a much more amorphous subject matter than immigration. And insofar as democracy is concerned, the Honourable the Minister of Industry and Commerce is relating to that. We find it a little awkward quite frankly to relate to a federal invitation that is rather amorphous to say the least.

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

MR. GREEN: Mr. Speaker, I move seconded by the Honourable the Minister of Industry and Commerce, that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the supply . . . --(Interjection)--

MR. SPEAKER: The Honourable . . .

MR. G. JOHNSTON: My Point of Order is could I have my Order for Return dealt with?

MR. SPEAKER: The Order for Return.

MR. GREEN: Well, Mr. Speaker, I had been of the understanding that the Minister of Labour wanted to discuss this matter with the Member for Lakeside. The Minister of Labour isn't here . . .

MR. SPEAKER: The Member for Portage la Prairie.

MR. GREEN: . . . the Member for Portage la Prairie. And he not being here, if the honourable member wishes to pursue the matter, he can pursue it. We will not be able to give a yes answer to the Order at the present time. But if he wishes to pursue that, he may do so. If he wishes to wait until the Minister of Labour comes back, he may do that as well.

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: On the same Point of Order, Mr. Speaker. I discussed the Order briefly with the House Leader and there is a difference of opinion between myself and him and I would doubt that I could agree with the Minister of Labour if he's going to take the same stand as the House Leader. So I would ask that my order be dealt with now.

MR. SPEAKER: Order please. The question of this matter was tabled and laid over in order for the member and for the Minister of Labour to get together. And until I get assurance

## ORAL QUESTIONS

(MR. SPEAKER cont'd) . . . . from the other member that's involved in this particular order, it will not be dispensed with, it will stay on the Order paper.

The Honourable House Leader made a motion, seconded by the Honourable Minister of Industry and Commerce that the House go into a Committee of Supply.

MOTION presented and carried, and the House resolved itself into a Committee of Supply, with the Honourable Member for Logan in the Chair.

COMMITTEE OF SUPPLY - CAPITAL SUPPLY

MR. CHAIRMAN: Order please. I would refer honourable members to Schedule A of the Capital Supply motion. Manitoba Forestry Resources Limited \$5 million - pass? The Honourable Leader of the Opposition.

MR. SPIVAK: I wonder if I can ask the First Minister, with respect to Manitoba Forestry Resources Limited, and I think this question was asked I guess in Public Accounts. He may or may not have been present. I think the Member for St. Johns was present at the time. Had there been an audited statement with respect to the position of CFI up until the time of the transfer over and the opening balance sheet statements for the Manitoba Forestry Resources Limited? My understanding is that the Provincial Auditor did not do that audit - that was not his responsibility, that is that portion of it. And I wonder if the First Minister is in a position to indicate that that audit's been done and that in effect it's been in the hands of the government and whether it can be furnished to the Legislature.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Mr. Chairman, perhaps I could expedite matters by indicating to the Leader of the Opposition that we are now on Schedule A, Manitoba Forestry Resources Limited. My honourable friend's question is directly relevant and I will only respond as follows: That the Minister responsible for ManFor is in a position to indicate as to when the audited statement with respect to ManFor will be available. I have no clear precise knowledge as to when the statement will be available for distribution. My impression is that that will be very soon. I believe that there is such a statement which the Minister has received but he might as well, obviously, speak for himself.

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

MR. GREEN: Mr. Chairman, I believe the honourable member's question was somewhat different. There is an audited statement, the receiver will be . . . no longer the Receiver, the Chairman of the Board of Directors will be before committee and perhaps the Clerk should get this on Tuesday at 10:00 o'clock and the statement will be distributed tomorrow. The member asked a question about an audited statement up until the time that he became Receiver, and I believe that there was an audited statement prepared last year by the Receiver. I cannot recall a break-off statement. In other words a break-off of the Receiver's position and an opening statement for ManFor. But I assume that there is such a statement and I will see to it that Mr. Hallgrimson who is both the Chairman and the Receiver, has that information available to the honourable member.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SPIVAK: My understanding then is that the Chairman of the Manitoba Forestry Resources Limited will be before the committee on Tuesday. --(Interjection)-- That's fine. But I wonder . . . and just so the Minister will be clear on what I'm talking about. In the discussion with the Provincial Auditor - my recollection may not be 100 percent, but my understanding is that I talked to him about his responsibilities vis-a-vis the auditing of the receivership up until the time of transfer over to ManFor where he now becomes the Auditor per se - and my understanding is that there is a period of time in which he was not involved in the audit. If he was involved at all, it was involved for the Receiver . . . the audit was conducted by someone else. And that audit to my knowledge, up until the time of transfer over, has not been produced in this House. Part of it was at one point. It was produced in the court. Part of it was produced in the House. But I believe there's a period now of almost a year and a half, and it may only be a year's period as far as auditing, that has not been brought into the House and I wonder if we could then have it, and if possible, if I'm correct, be in a position at least to have it before the Chairman comes before the committee on Tuesday.

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

MR. GREEN: Mr. Chairman, I am almost certain that the honourable member . . .

## CAPITAL SUPPLY

(MR. GREEN cont'd) . . . . you know, I wouldn't want to challenge the accuracy. I am almost certain that there is continuous audited statements from the time that the Receiver became a Receiver until the Receiver became a Chairman. I believe that they have been tabled from year to year or else filed in court, but that they have been made available, because the Receiver must make that report. I will try to see to it that they are made available before the Receiver appears. Last year he dealt with just such a statement, he produced that statement last year.

MR. CHAIRMAN: Pass? (Passed) Schedule B, Education Purposes, Community Colleges \$1 million - passed. C, Universities \$3,950,000 - passed. Water Control Works \$1,260,000. The Honourable Member for Roblin.

MR. J. WALLY McKENZIE (Roblin): Mr. Chairman, I rise on this item to deal with the problems of the Shellmouth Dam which again is spilling over the spillway and causing untold losses to . . .

MR. CHAIRMAN: Order please.

MR. GREEN: We are in Capital Supply, Mr. Chairman, and we are not giving any money to the Shellmouth Dam that I am aware of, not a penny. The Shellmouth Dam will come under the Current Estimates for Operation of Water Services. But we are not giving any Capital Supply to the Shellmouth Dam. The fact that it was capitally supplied four years ago does not make it a subject for debate under Capital Supply.

MR. CHAIRMAN: The point is well taken. The Honourable Member for Roblin.

MR. McKENZIE: Mr. Chairman, I'm speaking of righting the mechanism of the dam, either of the . . .

MR. GREEN: That is exactly not under . . . that is an operating cost, that is a departmental expense. There is appropriate time to debate it but not under Capital Supply. That is my position.

MR. CHAIRMAN: Item passed. General Development Agreement \$9,310,000 - passed? The Honourable Member for Brandon West.

MR. McGILL: I wonder if we could have the Minister give us some breakdown of this \$9 million item here that is called General Development Agreement. I'm not just quite sure what the difference here between General Purposes and General Development Agreement is and perhaps if we had the detail of this amount we would be able to understand it better.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, replying specifically to the honourable member's question, the difference between General Development Agreement capital and General Purposes capital is that the General Development Agreement capital have to do with Federal-Provincial capital requirements relating to DREE, ARDA and Western Northlands. This is Federal-Provincial joint programming. General Purposes, on the other hand, has to do with miscellaneous capital requirements of the province not related to Federal-Provincial programs. General Purposes, for example, could include the building of any miscellaneous public work in and for the Crown in right of the Province of Manitoba by itself.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. McGILL: Mr. Chairman, I wonder is it possible to get a breakdown in the amounts relating to the programs.

MR. SCHREYER: Of the General Development Agreement?

MR. McGILL: Yes.

MR. SCHREYER: I can only impart to my honourable friend the following line by line; that with respect to the 1975-76 fiscal year, capital requirements under the General Development Agreement relating to Manitoba Northlands is for the following projects: Fire Protection and Prevention programming \$140,000; Cranberry Portage sewer and water \$320,000; Surveys and mapping under Western Northlands \$100,000; Parks and Recreation infrastructure \$195,000; Highways construction north of 53 - well I should qualify that, north of 53 and in the area subsumed by Western Northlands which includes east of Lake Winnipeg, not necessarily north of 53, \$8 million; The Pas Detoxification Centre \$400,000; Airstrips \$155,000. And of this amount roughly 60 percent or about \$5.5 million will be recovered from the Government of Canada. And there is, I should take pains to inform my honourable friend, this is not the entirety of General Development under Western Northlands. There are additional funds voted under Current Account in various relevant departments such as Northern Affairs, Mines and Resources, Tourism and Recreation.



## CAPITAL SUPPLY

MR. CHAIRMAN (Mr. Walding): General Development Agreement. The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, most of this money then is going for the development of highways in the North and the Northeast of Manitoba.

MR. SCHREYER: Highways or access roads.

MR. MCGILL: And 60 percent of that is from federal sources?

MR. SCHREYER: Yes.

MR. CHAIRMAN: . . . \$9, 310, 000 - passed. General Purposes \$40, 296, 800 . . . The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Mr. Speaker, I would ask the First Minister to give us some indication generally of the breakdown of this amount of some \$40 million in this item. Then I want to specifically ask him, Mr. Chairman, and it relates back to Schedule A, because I believe for the first time in many years that we see no capital requirements for the Manitoba Agricultural Credit Corporation being asked for or requested in this bill and I, of course, Mr. Chairman, have some thoughts about that as to why that is there. Is it because the government chooses not to have, you know, further and perhaps extended debate on their land-lease program? And by not requesting any capital requirements in this bill of course in that way thwarting the Opposition from speaking about it? Now, Mr. Chairman, I want to make sure that I'm in order.

I understand basically that of course there is . . . the corporation is generating a fair cash flow on its own and that it's quite possible that it doesn't require any additional capital inputs. However, if the program that the government is embarked on with some enthusiasm under the Manitoba Agricultural Credit Corporation, namely, the purchasing of farm lands throughout the arable agricultural districts of Manitoba, proceeds at the pace that I'm sure they want to see it proceed, it's quite possible that some additional capital farms will indeed be required.

So, Mr. Chairman, I would just sit down and ask the First Minister to give some explanation of that. If in other words, he can give me that kind of iron clad agreement that next year there will be no indication of any capital requirements by the Manitoba Agricultural Credit Corporation, then I'll have to abide by the rules as I understand them, and not really be able to debate the question at this time. So I put the onus on the First Minister, if the Credit Corporation requires some capital input during the course of the year, and that capital input may come from the 40 million listed here that you're setting aside for General Purposes, and certainly part of the General Purposes could be perhaps to help out a program that could be in trouble - I'm referring to the Stocker Support Program of \$9 million which if cattle prices don't improve, there may well be a short fall in that program. I don't like to see it, don't wish that on the program, but I'm merely trying to sort out a position for me to speak about the Agricultural Credit Corporation briefly on this item and still be in order.

MR. CHAIRMAN (Mr. Jenkins): The Honourable First Minister.

MR. SCHREYER: Well, Mr. Chairman, the Honourable the Member for Lakeside has largely answered his own question. He has succeeded in a relatively few words in getting to the nub of the matter before us, and that is simply this, that under General Purposes, we have traditionally for many years now voted funds that related to the intent of the capital spending plans, the capital requirements of the province - but I emphasize the word is "intent" - under General Purposes you might say it is a pledge or an intent, but it is not an iron clad commitment. And indeed every year without fail some of the projects that are referred to under General Purposes do not in fact proceed - my honourable friend is well aware of that. So inevitably each year certain projects are not proceeded with, there is a certain residual then of funds which is used for other projects which may have overruns, and the like.

Now, with respect to the Manitoba Agricultural Credit Corporation, the Honourable Member for Lakeside is quite correct, the reason for that is nothing Machiavellian, it is simply that there is existing authorized but uncommitted authority still existing, and it is sufficient that we do not require replenishment this year. As to the reasons for that, he may wish to pursue that by supplementary questions and comments to the Minister of Agriculture who is here to deal with that. But basically and fundamentally stated, the MACC does have voted authorized capital authority still on the books which has not been committed sufficient for them to carry on.

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(MR. SCHREYER cont'd)

And you know, ironically I guess this should confirm to the Member for Lakeside, that our cultivated land, or arable land, acquisition program is indeed much more modest than he seemed to think it was. That's why there is sufficient capital authority without replenishment this year to proceed at about the pace we would like to proceed, which is a modest pace.

Having said that, if my honourable friend wishes, I am quite prepared to indicate to him what the indicative plans are. These are not firm commitments but rather the indicative plans for projects under General Purposes. If he wishes I am prepared to relate them now. He nods his head, so I will simply indicate that, for example, within the \$40 million under Agriculture, we have a modest requirement of \$20,000 relating to community wells, and I think he has some direct recollections of that program, it's been only slightly modified I believe. Community pastures, \$350,000; veterinary clinics, 360,000; education, 250,000 relating to the Stedman High School; 300,000 relating to the Hill Ridge School addition. I might add that these are here because these are two rather problematic construction problems. I offhand don't recall what it is, but there's something unique about these two schools' capital construction. Anyway, these are not large schools, these are schools in remote or semi-remote areas.

Under Health and Social Development, an amount of approximately \$4 million relating to adult correctional facilities; 78,000 relating to a community residential centre for juveniles; 85,000 relating to a St. Vital hospital, St. Amant Ward; an amount of about 250,000 with respect to community residences for the mentally retarded. This would be largely at Portage la Prairie. My next centre at Pelican Lake in southern Manitoba, 137,000, which also relates to a community residence for the mentally retarded; and 112,000 relating to the Society for Crippled Children and Adults; an amount of 800,000 approximately, relating to the Department of Highways, employee housing, right-of-way acquisition, a gravel pit account and sign shop, in total 800,000.

Under Mines and Resources, an amount of 5 million relating to resources for tomorrow, which is a land acquisition program deemed to be desirable and critical acquisitions to preserve key locational areas for the future enjoyment and use of future generations, a million dollars; and four million relating to the Manitoba Mineral Resources Division. Northern Affairs, \$2 million relating largely to airstrip construction and improvements; 500,000 relating to community infrastructure - this would be kind of the elementary municipal services in some of the remote communities.

Public Works, an amount of about \$16 million relating to various stages of architectural design, and also capital authority to cover any awarding of contracts relating to provincial office building construction, land assembly revolving fund, central provincial garage maintenance and improvements; a Manitoba Motor Vehicle Branch building somewhere in Winnipeg, \$2 million.

Provincial Courts, Magistrate Courts Building, which I believe is well know, this was announced that we must make provision for the construction of a Magistrates Court Building somewhere in the City of Winnipeg, \$3 million; Red River Community College renovations, 700,000; northern employee housing program, 900,000; renovations at the Gimli Industrial Park, 200,000.

Then under Tourism, an amount of \$1 million relating to a tourist reception centre on the Manitoba-Saskatchewan border to parallel the one that has just been built on the Manitoba-Ontario border; a visitor reception centre in a number of locations in the province - these are minor capital construction requirements - 25,000; park cottage development, 70,000; Museum of Man and Nature, \$100,000; Manitoba Centennial Centre Corporation, certain capital renovations and improvements, 280,000; and Historic Sites, restoration and reconstruction, 250,000. There is also for example, a historic holdover, that the province has a continuing commitment to pay 43,000 a year towards the Main Street tunnel. This is a ten-year obligation incurred about ten years ago, or eight years ago. That brings you close to a million dollars.

Then under Urban Affairs, we have an amount of \$8 million relating to housing projects, which we have no way of knowing at the present time whether we will succeed in getting CMHC approvals on, but on which we must have authority to proceed. So there's the figure of eight million.

And finally, a contingency amount of 1.7 million under Winter Works and Emergency Programs, to replenish by an amount of 1.7 million. And that brings us quite close to the 40 million that the gross figure is.

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MR. ENNS: Mr. Chairman, I thank the Honourable First Minister for the breakdown of this item. I regret that I will not be able to make the remarks that I wanted to make on the Credit Corporation. I accept the statement made by the First Minister, the Minister of Finance, that in this year there will be no additional capital financing required by that corporation. That being the case, then, Mr. Chairman, I would be clearly out of order to make the remarks that I want to.

I want to just indicate to you, Mr. Chairman, why I am so eager to make those remarks, because the other day on dealing on the matter on the same bill before us, another item, I received substantial help from the Minister of Mines and Natural Resources, having a fuller understanding of a program that I have a great deal of concern about. I now understand their attitude towards that program a lot better. I also believe it to be the understanding of the First Minister, and the Minister of Agriculture, and I just wanted to have some occasion to make that speech, and I will find that occasion on the second reading of the bill when I can go back to the particular item that I have referred to. Thank you, Mr. Chairman.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SPIVAK: I wonder, Mr. Chairman, to the First Minister, whether I can understand correctly where we stand on the authority that's already been given, the amount of money that is already committed, and remains to be committed, and will be committed by the \$40 million General Purposes. The Provincial Auditor on Page 8 in his report shows unexpended capital authority as of the fiscal year ending March 31, 1974, of \$262 million, and in turn we added last year of \$700 million, and more or less an amount fairly close this year. That's the total, and I'll come back to that maybe in the global figures - talking about global figures when we get on to second reading on the bill. But I want to come down to General Purposes, because in his statement he shows \$58 million of General Purpose capital authority unexpended, and I believe that would mean at that point unauthorized, not necessarily, not necessarily paid out, but unauthorized.

MR. SCHREYER: . . . authorized, but unexpended.

MR. SPIVAK: Authorized and unexpended, that's \$58 million, to which we then add the amount of \$33 million voted last year, and the amount of \$40 million voted this year, which would mean that you have \$70 million plus 58 million, or \$128 million from March 31, 1974; March 31st, 1974, you'd have approximately \$120 million of authority given, but not spent. Now I'd like to --(Interjection)-- well, if I'm wrong in my explanation I'd like to know that, because the . . . --(Interjection)-- Well, then I'd rather sit down and get an explanation before I proceed any further.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, it's rather difficult to really come to the crux of my honourable friend's concern in a general way. I mean, one almost has to relate to a specific project. But I will try to put it this way, that basically - well in fact, even basically isn't sweeping enough - there is no kind of disbursement or expenditure or commitment entered into except that which is covered by authority that has been voted by this House.

It is important however to draw very clear distinctions between capital authority that has been voted, capital commitments that have been entered into, and disbursements that have been issued. There are three parts to this. Now I could indicate to my honourable friend that it would be a matter of some embarrassment, not to us, but perhaps to him in a sense, that it was never perfectly clear some several years ago as to whether commitments could be entered into, commercial contractual commitments, without pre-existing authority having been voted. And in the case of one of our major utilities, indeed binding commercial commitments were entered into, it's true no disbursements have to flow in that given fiscal year, but nevertheless commitments were entered into that went considerably beyond the authority voted by the House, for whatever reason which I do not choose to quarrel with at this time. The Provincial Auditor's interpretation as to what was permissible under the Financial Administration Act underwent some change in interpretation some time in the last seven or eight years. There's no point in recriminating about what's past, but the fact is that the distinction as between a commitment and disbursement was not always so clearly drawn. So the simple fact of the matter remains that we do not even enter into commitments, let alone disbursements, except within the parameters of the capital authority voted. And that goes part of the way I think to answering my honourable friend's question.

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(MR. SCHREYER cont'd)

We are asking the House for voting approval for net additional authority required. There is no question whatsoever but that of the \$40 million of net additional authority required - and I emphasize its authority - that not nearly all of that will be disbursed, but it's needed because of the eventuality of commitments being entered into by awarding of contracts and the like. My honourable friend I am completely sure is well aware of the distinction between cash flow and authority needed to cover a forward commitment.

INTRODUCTION OF GUESTS

MR. CHAIRMAN: I wonder, just before I recognize the Honourable Leader of the Opposition, if I could draw the attention of the honourable members to the gallery, where we have 44 students of Grade 5 standing under the direction of Mr. Kozubal and Mrs. Otto. This school is the Gladstone Elementary, and it's located in the constituency of the Honourable Member for Gladstone. On behalf of the members of the Assembly, I bid you welcome here this afternoon.

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MR. SCHREYER: Well, Mr. Chairman, I think it would also be of some help to the Honourable Leader of the Opposition if I were to advise him that whatever figures he has, as of the end of March, as of March 31, 1975, just seven weeks ago, the uncommitted authority still existing on the books, authority voted in previous years, allowed to accumulate, subtracting the actual disbursements and subtracting the commitments, the uncommitted authority was only 468,000, so that's why we're asking for a net additional authority of 40 million.

MR. SPIVAK: Well I wonder if the First Minister is in a position then to . . . because I just will fill the information in - to indicate how much of the authority had already been committed but not paid out as of that date of the authority that remained. In other words, how much remains still to be dispersed of the authority already granted and voted, and which was really work in progress at that point?

MR. SCHREYER: Mr. Speaker, I have those figures. I unfortunately don't have them immediately at hand. It will take me a couple of notes back and forth and a few minutes to get that figure. In the meantime, I simply indicate once again that in terms of authority that remains uncommitted, we were down to 468,000. I'll try and get the other figure.

MR. SPIVAK: I wonder if, I'd like to make another comment but before I do that, I wonder if he can indicate whether in the authority that has already been given, committed but not necessarily paid out, the furnishings for the Woodsworth Building, the actual provision of fixtures, business furnishings and requirements, are included and the amount in dollars and some global figures as to what the actual cost will be.

MR. SCHREYER: The Honourable Leader of the Opposition is now inquiring about the capital authority and/or expenditures anticipated to be made with respect to furnishings of the Woodsworth Building.

MR. CHAIRMAN: The Honourable Minister of Public Works.

HON. RUSSELL DOERN (Minister of Public Works) (Elmwood): Well, Mr. Chairman, I don't know if I can answer it to the satisfaction of the Leader of the Opposition, but the amount allocated to the project for the construction of the building itself is 7-1/2 million, and there is an additional amount for furniture and furnishings of 2-1/2 million.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SPIVAK: I wonder if the Minister of Public Works can indicate whether that would cover all the furnishings within the building itself or will there be other charges as part of departmental expenses in relation to that?

MR. DOERN: Well, Mr. Chairman, presumably that will in fact cover all furniture and furnishings. The Department of Public Works has now taken out of the departments their previous allocations for furniture and furnishings, so that it all is funnelled through our department now as a general policy.

MR. SPIVAK: Well, if I may, I wonder then . . . my understanding of the General Purposes capital authority when we go back several years and go back to the period of 1969 I guess when the government came in power and they asked at that time for an additional Capital Authority to be given to them, was the ability to be able to have a vehicle depending on what

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(MR. SPIVAK cont'd) . . . . took place within the economy, for the introduction of government programs as a means of stimulating employment and priming the pump during periods of time when the recessionary trend would indicate high unemployment. And to a large extent I believe the government did do this with the initial programs.

Now my concern at this point in dealing with this is because the Premier has specifically mentioned a whole range of programs in which authority is given, which would indicate that in total, within the 40 million, there is really nothing that's been left for a General Purpose per se. Well, there are specifics as I understand it, those . . . --(Interjection)-- Well my understanding though is . . . he's essentially saying at this point, if I'm correct, that there is only \$400,000 of authority left from previous years as of March 31st, 1975. That in effect there's a commitment of \$40 million and that commitment is basically stipulated and he's broken that out. So those programs are anticipated, they can be committed immediately or they may be committed in stages, but in effect that is the program basically.

Now what I then say to the First Minister is that in terms of the analysis of the economic situation with respect to Manitoba, considering that some of the other areas are also areas in which activity would be created by public sector involvement, but General Purposes to a large extent has been sort of the lever to be used, realistically is the government in the position to make a reasonable forecast for this coming year, fiscal year, as to what really is going to be required, given the nature of both the inflationary and recessionary pressures that are taking place within this country and within this province? The question at this point is a judgment as to whether in effect there has been realistic planning for the kinds of situations that we may meet.

We have tried to indicate, and we go back again I guess to the Budget Speech, that the economic indicators would indicate a much more severe situation than maybe some would be prepared to admit, and I believe that the Premier was prepared to admit, with respect to the budgetary plans that were undertaken. And there will be a quarrel between us as to whether it was right or not, that it can be argued that he's on one side and I'm on the other side, and we're talking politically at this time, and I'll try to analyze as best I can what likely is to happen. From the information that I've been able to read and from the people who are experts in the field who I've been able to be in contact with and from the analysis that I've been able to make, I believe that we are going to be in a much more severe situation with respect to the economy, federally and provincially, and to a large extent by matters which are not within the provincial jurisdiction. I think I've indicated that as well. But at the same time, my concern is, has the proper planning been undertaken to be able to resist the strains and stresses that will occur in the months to come if the recessionary pressures really become very important and become severe? The problem that I see with respect to the programs - I know there's some global figures and I guess they could be broken out even more as to the specifics. One sort of gets the impression again that the government is viewing the situation for the next year, is one in which there will be far greater stability . . .

MR. CHERNIACK: Many years.

MR. SPIVAK: Well, no, we're talking with respect to this planning as far as the economic life of the province is concerned. With respect to the situation they are looking at it in a way in which there is, I would think if anything, no reasonable belief that the economic factors will be such to in fact put on Manitoba a much heavier burden than I believe can come about. I'm not predicting that as such, I am saying that I think there are enough warning signs today to indicate, you know, the severe problems that could come about. And I am concerned that with respect to what is happening - because I think we have to consider that the kinds of programs that may have to be introduced are programs that are short term as opposed to long term in terms of their planning and commitment, and will have to have greater flexibility than I think really exists within the General Purposes that have been provided, because I think they, to my surprise, have much more specifics than I would have thought. I mean there are public buildings and that's one factor but that's not the only way in which to combat it.

What I'm saying, Mr. Chairman, is this. I think the signs are serious for this province. I think it would be foolish not to plan properly. I think it would be wrong not to ask this Assembly to provide the authority that's required, recognizing to a large extent that means a reservoir of authority left with the government for greater flexibility. But I believe that that is required and I think that's necessary, and I'm a bit surprised that it's not really contained

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(MR. SPIVAK cont'd) . . . . within the actual capital matters that have been presented. And I wonder whether, you know, the government can be sure, really sure, of it's planning and be sure that that kind of authority that I'm talking about should not in fact be given.

MR. CHAIRMAN: The First Minister.

MR. SCHREYER: Well, Mr. Speaker, I'm fascinated by the inferences that I draw from my honourable friend's remarks and I was going to say at the outset, sort of facetiously, but now I will change the tenor of my remarks and say quite seriously that if my honourable friend is suggesting that perhaps we should have tacked on \$10 million more, let us say, for contingency purposes, I will not resist the suggestion. Quite frankly, I believe that we do have, with what we are requesting, we do have sufficient to meet contingency requirements, because my honourable friend should bear in mind as well that in addition to General Purposes - and he's quite right General Purposes capital was intended and still is intended largely to deal with contingency programming, capital programming. I don't think that we have sacrificed too much of the contingency nature of it.

The fact that I have given some specifics ought not to mislead my honourable friend. These are specifics which are intentions and if past experience is any guide, quite a number of these will not materialize, which means that we will have General Purpose Authority to deploy for quick grabbing if you like, capital construction activity which is fast employment generating.

In addition to the General Purposes however, the point I was going to make, is that we do have, as the Leader of the Opposition knows, a fund which has existed for perhaps 20 years or more, known as the General Emergency Fund which we have retitled the Special Municipal and General Emergency Fund, and there is in that fund resources to draw on to the extent of approximately \$15 million plus or minus. So that has to be taken in context too. But I would not be adverse to bringing in a measure a week hence if my honourable friend is urging it for additional authority which I believe we will not have to use, but it would be a form of insurance of even greater contingency counter-cyclical management.

We in Manitoba are in a circumstance where I think realistically speaking we have to anticipate some downturn. We do not expect it to be as severe as in other regions of Canada outside the Prairies. It would also be misleading to ignore the large capital construction plans that are contained in Schedule A, Hydro, Telephones, Public School Finance Authority and the like. I don't know that I can respond any more succinctly to my honourable friend's comments.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SPIVAK: Yes, I think the First Minister indicated there was some \$15 million left in the Special Municipal - this would take in account the commitments that have been made out of the Special Municipal Fund for performance bonds with respect to Flyer. I'm assuming that's 15 million that's left. I wonder if he can indicate how much has been taken out of the Special Municipal Loan and General Emergency Fund to the extent of either been paid out - and I'd like to know that as a break-out - and committed out of the Special Municipal Loan Fund for Flyer Industries and its performance bonds.

MR. SCHREYER: Mr. Chairman, if my honourable friend is asking that as of May 1st or May 15, what is the residual unencumbered authority existing in that fund, I can try and get that figure this afternoon. I haven't got it now.

MR. SPIVAK: I'd like to know as well if the First Minister can indicate, out of the Special Municipal Loan and General Emergency Fund, how much has been either paid out or committed with respect to performance bonds of Flyer, which would be then possibly available, depending upon the performance, with the amount that's unexpended at this point.

MR. SCHREYER: The Minister responsible for the MDC might be able to refine this figure but just off hand and from memory I would estimate that we have drawn in an authority sense, not in an actual disbursement sense, on the fund with respect to the performance bonds, something approximately in the order of 11 or 12 million dollars. I arrive at that by virtue of 2.5 and 2.5 and 6.8 million.

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

MR. GREEN: Well, Mr. Chairman, they are all on the record because they were all done by O/C. But the First Minister has said, "drawn on the Funds authority." The guarantees of performance bonds by the government were done on other capital authority. --(Interjection)-- The Emergency Fund, yes. On Emergency Fund authority. That's right.

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MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SPIVAK: If I'm correct, I think that . . . so that we can deal with accuracy on this and I wonder if it can be attained, because there is a bit of confusion here. As I understand it, the Special Municipal Loan and General Emergency Fund Act has been used for either a commitment in which authority has then been expended and not necessarily paid out on a performance bond. In some cases there actually has been the actual payment of moneys for a performance. --(Interjection)-- All right, let me understand that then correctly. You're suggesting that there is then no payment - just a commitment of the Special Municipal Fund. There has not been a payment out even for a performance bond?

MR. GREEN: Mr. Chairman, we don't want to be completely - to be tripped up in technicalities. The last one, the one that the honourable member read today calls for a Letter of Credit from the bank to guarantee a Performance Bond. Now there is no payments because until the Letter of Credit is used, I presume there is no - it is a commitment, yes.

MR. SPIVAK: But at that point there would be \$6,800,000 committed, not necessarily paid out of the Special Municipal Fund Authority. That's correct? But there has been money that has actually been paid out. --(Interjection)-- Oh, I see, it's all commitment.

I wonder then - because I think this would be the important factor to determine - is if today there is unexpended \$15 million within the Special Municipal Fund which can be utilized by the government, how much authority has been given in total with respect to Flyer out of the Special Municipal Fund which, presumably if the commitments are met by Flyer, will then allow additional authority to be used by the government. --(Interjection)-- Yes.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, I'm reasonably confident of the approximateness of the figures I've just given. It is not an expenditure. We are quite confident, reasonably confident that there will not be an expenditure. There is however a commitment, and as such it has to be regarded as a sinking fund in that specific sense, and we therefore cannot use those funds for some other purpose, and that is therefore an encumbrance, temporary, one hopes and trusts, in the order of 2.5 and 2.5 and 6.8. Now that, subject to my colleague's refinement, that is approximately the amount of the encumbrance.

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: Mr. Chairman, the difficulty is you're asking both the First Minister and myself to deal with memory. I have used those figures to the First Minister, therefore I don't blame him for citing them back, as examples when we were having certain discussions, if this amount was on one order, this amount was on another. But the San Francisco commitment would be higher than 2.5, the Boston less than 2.5 and the Dayton, the one . . . the honourable member has the figure right in front of him. I don't think that we're far out. But why should we be questioned to sort of commit ourselves to our memory when those things are on the record by O/C.

The other point is that the honourable member should be aware that with regard to the MDC they do exactly the same thing. When they have a loss projection in a certain area they set aside out of their Capital Authority that amount to cover those losses, so those losses have been paid as of now. We are in a position that if things are ever improved from those positions the money is there.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SPIVAK: I wonder then if I can basically without getting involved in the figures, because we're talking between 11 and 15 million more or less, it's within that range. --(Interjection)-- I guess the question we ask, what's a million. But I wonder really if the First Minister is in the position to justify the use of the Special Municipal Loan and General Emergency Fund as the means to, in fact, use the authority and potential that this was to be used for, for Flyer. This was set up as a change in the Special Municipal Loan and General Emergency Fund Act to assist many municipalities. It was really part of the program that I referred to earlier in terms of the government activity, recognizing the economic period that we're going through. I wonder in a very real sense if the First Minister can present a fair justification for this fund being used, if we're not coming to the House with another authority for the specifics with respect to Flyer.

MR. SCHREYER: Mr. Chairman, I have no problem, and I will indicate to the Honourable Leader of the Opposition why I do not feel that there is a problem. It is true that this

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(MR. SCHREYER cont'd) . . . government did alter the provisions of the General Emergency Fund Act, but how did we alter it? We altered it so as to include provision for municipal financing. The municipalities were not specifically referred to under the old General Emergency Fund legislation. But insofar as the definition of General Emergency Fund, or what constitutes a proper general emergency use, we have not altered the wording from what it was 22, 25 years ago. So it's a case of my honourable friend satisfying himself as to whether, if not this government, a previous government, three administrations ago was justified in giving such broad wording to the General Emergency Fund Act, under the Financial Administration Act, I should say. The wording is quite broad, it is the use of public funds for the public interest. Frankly my colleagues and I have no hesitation in deeming the successful landing of an order for manufactured goods emanating from Manitoba to maintain a level of manufacturing employment as being clearly well within the realm of the public interest. It's about as simple as that.

MR. SPIVAK: I have to, by rebuttal, say to the First Minister I'm satisfied now, and I'm sure the Minister of Mines and Natural Resources is not satisfied. But I'm satisfied now from having read the Stevenson-Kellogg Report with respect to Flyer, the time that the commitments were made by the government with respect to this, the government wasn't in any position to know realistically that there was a capability of meeting the deadlines that have been set in this, whatever their expectation may have been; nor were they in a position to know what their costs were; nor were they in a position to know what their production levels really were. I'm satisfied, Mr. Chairman, and I think this is the difficulty in this particular area, because I think that in one sense the municipalities who were sort of designated as the recipients of this to a certain extent are penalized. That this action which the government undertook because it had to undertake - I don't think they particularly wanted to do it, it had to do it, in the sense that the guarantee had to come from the government somehow, and this was the vehicle that was used - was undertaken in the expectation that things would work out well and will work out well. But I'm also satisfied, and I think that the Stevenson-Kellogg Report will bear this out that there was no reason, there is absolutely no reason for the government to have any optimism that in effect the deadlines for which these commitments have been made.

--(Interjection)-- Well the deadlines for which these commitments were made will in fact be met, or could have been met. At the time, Mr. Chairman, that these were undertaken, at the time that this authority was given by Order-in-Council by the Cabinet, someone must have been making to the Cabinet representation and to the Minister - I don't believe that the Minister himself made those representations - someone made it to him that in effect there was a capability of being able to meet the deadline requirements that were undertaken. I'm satisfied that whoever gave that information gave, you know, substantially wrong information to the government, and that in effect these commitments that have been made put a serious burden on the taxpayers, and a serious burden with respect to this particular loan fund. To me, I find it surprising at this stage that in the whole course of this matter - and we will be discussing it further in this House - that really there seems to have been, if anything, a general almost cavalier attitude with respect to the commitment of public money and the requirements that will have to be made in the expectation that some people will deliver when in fact on the prima facie case at the time, on any reasonable basis, based on the information that is now available but should have been brought to the government's attention properly, there was no reason to believe that those expectations could be made the first year.

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: Well, Mr. Chairman, the honourable member will be satisfied with whatever he wants to be satisfied with. The fact is that at the time of the San Francisco order, I was personally assured by various members of the board of directors of Flyer Coach Industries that this was a good order, that they would be able to make money on this order, and that they would be able to meet the deadlines on this order. It wasn't somebody who was trying to look through rose-coloured glasses, it was hard-nosed business people who sit on the boards of directors of the MDC and of Flyer Coach Industries. Now I happened to believe those people and their judgment more than I believe the Leader of the Opposition. The report that he is referring to - and I have not seen this report that he is talking about, Mr. Chairman, that is something that is dealt with by the board on Flyer Coach Industries and the MDC, but I believe that that was done after the San Francisco order was placed. Now therefore the honourable member is a little bit out in his chronology. That report came after the board of directors of



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(MR. GREEN cont'd) . . . the Fund, determined that there were difficulties in Flyer Coach Industries, and they acted with dispatch with regard to those difficulties. They acted with dispatch. They dealt with the management problems. They had to face a strike, which I think they faced very well in spite of the unusual support for striking workers, which I frankly am pleased to see, which came from the Leader of the Opposition, the Winnipeg Free Press, the Peter Warren Show, and all the people who usually say, send those lazy people back to work. They came out and said that the strikers are being mistreated and the government is being too tough on them, and things of that nature. That was kind of interesting to know that I live in an entirely different labour-management atmosphere, which I frankly am very happy with, which doesn't mean that you give the employees exactly what they are asking. But the contracts, and including the last one, Mr. Speaker, it is not the fact that an industry in a strike will not bid on orders two years hence. Motor Coach Industries was on strike for four months. I do not, I would not venture to guess that during those four months they stopped committing themselves to produce buses, and this is what the honourable member is suggesting. The Dayton order, we particularly asked about that one. It is two years down the line, and as far as we were concerned the Flyer Coach Industries was going to be there, it had a capacity to produce the buses and to sell them for the figures that were quoted on.

Now this argument is not going to end by either the honourable member agreeing with me or myself agreeing with the honourable member, but our responsibility with regard to the funds that are voted for the MDC is to do our very utmost to see to it that the MDC board is staffed with people who the public would have confidence are capable in the area of commercial enterprises. Secondly, that we would not interfere with their business judgment. I believe that we have fulfilled that responsibility.

Now doing that in the best of times you can win and you can lose. That is the nature of commercial activity, and I believe that the public is ready to participate in that commercial activity. I don't believe that they lack the courage to do so. You know Volkswagen lost \$336 million last year, \$336 million. I do not believe that they are going to stop getting on-contracts; I do not believe if they had a strike that they would stop bidding; nor do I believe that that represents a demonstrable indication of incompetence, mismanagement, lack of capacity on the part of the Volkswagen people. I think it represents what is something that can be experienced in any commercial situation, a very very bad year. We have confidence that the setup that we have with regard to Flyer Coach Industries will result in good things eventually for the Province of Manitoba. We've had disappointments but, Mr. Speaker, for the honourable member to say that we have been making rosy predictions I have never made a single rosy prediction with regard to Flyer Coach Industries, not a single one.

MR. SPIVAK: Well, Mr. Chairman, I think its very revealing what the Minister of Mines and Natural Resources has said. He's indicated that he has not read the Stevenson-Kellogg Report, and I gather what he's also saying is that he wouldn't read it. --(Interjection)-- Well he wouldn't read it, there's been enough public attention to it, but he hasn't read it. You know, the funny part about it is he hasn't read it so he's not in a position to deal with what it suggests with respect to the way in which Flyer operated, upon which the board recommended certain things to the government and the government then committed certain moneys. He seems to think that this is the way that the public wants. . . The public wants a board to be set up to be able to operate and when questions arise as to the question of competence, and when there are commitments, as in this case for \$15 million, and other commitments with respect to the Manitoba Development Corporation, that there's no responsibility on the part of the Minister to assure himself that at the time that the representations were made to him that they were correct. He's saying that they are competent people and therefore on that basis he doesn't have to question.

Well at what point does he question, at what point does he start to review? If in fact this report was commissioned for the board and sent to the chairman, and if in fact as I suggest it puts into question the ability of that company to have been organized, to know what they were doing, both from a point of view of costing and from a point of view of production, surely at this point because a commitment has been made there is some concern to at least, you know, establish the accuracy of the facts and the accuracy of the information that was furnished. The problem we have at this point, and the problem we have at this point is at what point does the government respond, at what point does it become concerned?

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(MR. SPIVAK cont'd)

You know, the Minister brought in the question of committing to a Dayton contract during the period of the strike, but the interesting thing is that when the Chairman of the Manitoba Development Corporation was asked a question: "Did you know what your costs were"? he said, "No." So we tendered on a contract which as far as I know there was a commitment made from the Special Municipal Funds, to guarantee whatever the performance bought on the basis of a contract when we didn't know what our cost was. Now that --(Interjection)-- Oh yes, he said the question was put to him, "Did you know what your costs were?" and he said, "No." And I must tell you he couldn't know; they were not set up to be able to know. And I think --(Interjection)-- Well, he's saying that Volkswagen doesn't know what their costs are, that no private entrepreneur knows what their costs are, and that's rubbish. They know what their costs are. There are many people, there are many people, there are many people who in business may tender on certain things and may have very simple ways of determining what their costs are, but there are many who are quite sophisticated and who are in the class in dollars of the volume of what we're talking about here who put themselves in the position to know what they're doing. The problem, Mr. Chairman, the problem, Mr. Chairman, at this point is that the government made commitments, capital authority has been expended, the problem that they have at this stage is that those commitments may or may not have to be met -- and that's something we don't know -- but I'm satisfied from the information that we've been able to furnish that certainly there should be a serious question now as to the information that in fact was supplied to them, and as to what was furnished to them. Very serious questions that should be raised. How does the government go by about satisfying itself with respect to that? Does it simply accept the statements of the people involved that we've now reorganized and everything's all right? How does it establish for itself that the commitments it's made on behalf of the people independent of the loan moneys that have been made, but the obligation made with respect to the capital authority that's committed, that at least it's not in jeopardy. How have they done that? I don't know how they've done it. Certainly the indication of the Minister is he hasn't read the report, he wouldn't read the report, why should he read the report.

MR. GREEN: Mr. Chairman, I did not say that. Well on a point of privilege.

MR. CHAIRMAN: The Honourable Minister of Mines on a point of order.

MR. GREEN: On a point of privilege I did not say that. The honourable member has misrepresented myself, and he's also misrepresented the Chairman of the Manitoba Development Corporation.

MR. SCHREYER: He's also out of order.

MR. GREEN: And he's also out of order. There is nothing in the Capital Estimates in this General Purposes dealing with the Emergency Loan Fund, not a penny. The honourable member says that he is getting to me. The fact is that the honourable member will get to me when he says that I said things which I didn't say. I said that I had not read the report, that that matter was being perused by the Members of the Board of Directors of the Flyer Coach Industries and the MDC. I didn't say I wouldn't read it, which the honourable member says. The honourable member said that the Chairman of the MDC said that he didn't know what his costs were. The Chairman of the MDC said that they had a reasonable expectation of what their costs would be for the production of this order, and that's how they bid. Now, Mr. Chairman, on the point of order which is a substantive point.

MR. SCHREYER: There is a point of order here.

MR. GREEN: There is no moneys under the General Capital Supply that the Honourable the First Minister dealt with which deal with the Emergency Loan Fund. The honourable member is opening another issue.

MR. CHAIRMAN: The point is well taken. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, just on a point of information I dispute the statements of the Minister with respect to what the General Manager of the fund said. He said they did not know what their cost was, and I think that the Hansard will bear that out, and I'm quite sure it will. But with respect to the issue, the issue of the Special Municipal Loan Fund comes into the question of General Purposes and comes. . .

A MEMBER: That's not included.

MR. SPIVAK: No, I know it's a separate fund, I'm not denying that, but what we were

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(MR. SPIVAK cont'd) . . . talking about was the ability of the government to be able to have the vehicles to be able to deal with the problems --(Interjection) -- Well, I'm sorry if the Minister of Mines and Natural Resources will let me finish and then the Chairman can make a ruling. He was absent for part of this I believe. And what we were talking about was the ability of the government to be able to have sufficient resources to be able to deal with the changes that may occur within the economic situation, and one of which would be the amounts within General Purpose, the other which would be the Special Municipal Loan and General Emergency Fund, which have been used before. While there's no capital item it relates to the whole thrust of the ability of government to be able to prime the pump if it was necessary, to be able to have capital authority to be able to use for programs that would affect the economy and in fact there have been, and there were winter and summer works programs that were through the Special Municipal Loans Fund that we use for that purpose.

Now, Mr. Chairman, I'm prepared to acknowledge that there are other matters to be discussed, but I again say just in dealing with this that there is unexpended authority of \$15 million left, there is approximately 11 to 15 million dollars authority that has been undertaken, I'm satisfied that at the time that the government undertook the obligations, they were not seized of sufficient information on which the proper judgments could have been made, even though representations were made to them that it was so. I'm also satisfied that the government hasn't done the things that a government should be doing in protecting the public interest with respect to the commitments of money to determine whether in fact it is being organized and will be organized and has been organized to be able to accomplish the objectives. I'm satisfied as well that there will be a drain and there will be a draw on this money. And I am suggesting right now that there is no way that this capital authority that has been now charged will not be drawn on, and the public will be dunned once again and it seems to me almost inconceivable that the government itself hasn't made itself aware, you know, by just not relying on the same people who made the representations to them before, has not made itself aware by its own independent examination of what really happened during that period of time, and what is really happening at this particular time.

MR. CHAIRMAN: Item pass? The Honourable Member for La Verendrye.

. . . continued on next page

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MR. BOB BANMAN (La Verendrye): Thank you, Mr. Chairman. I noticed when the Honourable First Minister was reading out the different appropriations, I noticed \$200, 000 for the Gimli Industrial Park as part of the Capital Supply, and I'm wondering in light of the fact that Public Works this year has also announced - or in the estimates, we notice has had a substantial increase as far as the operation of the Gimli Industrial Park, from 884, 000 to 1,368, 000 - I wonder if the Minister would tell us on what they will be spending \$200, 000 at the Gimli Industrial Park this year.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Chairman, I'm awaiting the arrival of my colleague, the Minister of Public Works. All I can tell my honourable friend for a starter is that there are capital renovations at the Gimli Industrial Park in the order of 800, 000 in fact, of which 660, 000 has already been appropriated in previous loan acts last year and possibly the year before. There is felt to be need for an amount of 200, 000, which is the amount I referred to, in order to complete the necessary renovation and heavy - I was going to say heavy maintenance, that would be slightly inaccurate. As my honourable friend, the Member for La Verendrye can appreciate, in the kind of complex and infrastructure that exists at the Gimli Industrial Park, it's now roughly 20 years old, more than that, and one starts to get involved with certain significant replacement costs with respect to basic infrastructure: heating plant and equipment, sewer and water installation, some of the buildings require some pretty major structural renovation. Perhaps the Minister of Public Works could reply if my honourable friend from La Verendrye has something a little more specific in mind.

MR. CHAIRMAN: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Chairman, earlier on in Capital Supply there was some discussion under Schedule A for Manitoba Mineral Resources Limited that was held off until we got down to General Purposes where the dollars were supposed to actually be contained for the implementation of the Mines Act regulations. I missed the - I didn't miss, but I didn't completely get down the breakdown of the two items that the First Minister indicated. Under General Purpose, there was \$5 million for Mines and Resources, and \$4 million for a mineral development, I think it was. I wonder if we could just get a synopsis again of those two items.

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

MR. GREEN: The first item - and I'm now dealing from memory, but I'm fairly certain I'm right - was a million dollars for the resources for Tomorrow Program. The honourable member will recall that that program was introduced when there was a considerable problem resulting from the fact that recreational land was being sold, or the rights to the use of recreational land was being sold and there was great agitation for having rules with regard to private owners not being able to charge citizens of Manitoba for hunting on their land, and we resisted any temptation to enact such rules which would affect every private owner in the Province of Manitoba, farmers, other people who had that land, who had the right to say when people could come on or could not come on, or the terms and conditions under which they could come on, and we said that we would enter into a program of having available funds to buy recreational land in the Province of Manitoba when it was deemed in the public interest to do so. That includes the land program in the Delta Marsh, south of Lake Manitoba, other projects around the Province of Manitoba where it is felt that the land should be available to everybody. It was heartily endorsed by everybody in the Legislature at the time, and this is merely a continuation of the program.

The \$4 million - the honourable member is quite right, I believe that the honourable member is one of those who has understood our mining policy, that the participation program and the regulations that we passed with regard to mining leases, etc., is far more important a program than our taxation program. And the thrust of that program - the honourable member said under what authority was it one - it was done under the authority of the power to pass regulations setting out terms and conditions under which public lands will be made available for mineral exploration. We have made a regulation which says that, yes, the land will be made available, we will put up half the money, and we will be partners in any development. That was arrived at, Mr. Chairman, after two years of consultation with the industry. Now let me not mislead, it wasn't consultation to obtain approval, because I think that the industry at all times said that they were not in agreement with the concept, they would prefer it we continued to let all of the exploration and development be done by them. But if we were determined on a participation program, then the type of program that came up met with general

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(MR. GREEN cont'd) . . . acquiescence - I won't be more positive than that - that this was the way to do it. We went through, I can tell the honourable member, two years of discussions with them trying to make sure that every point was being dealt with fairly, but that program is now in effect and people wishing to explore in the Province of Manitoba file an exploration program, an agreement is reached in accordance with the form set out in the regulations, and the program is proceeded with on the basis of the public being a 50 percent partner in the program. So the honourable member is quite correct in saying that it's far more important than the taxation program, although it's interesting that there is now an abandonment of the suggestion that we have run away from our taxation program; there is even now the suggestion that we are even doing worse than was under Bill 82, Mr. Chairman, which is rather interesting, because I believe that all of the provisions - and we are going to deal with them on second reading of the bill - that we have adopted with regard to Bill 16, come from concepts which the industry agreed were proper concepts for taxation.

MR. CRAIK: Mr. Chairman, first of all I understood the First Minister when he was reading out the amounts, to say \$5 million. --(Interjection)--Well, it was a total of 9 the way it was read to the committee.

MR. GREEN: The Honourable the First Minister read 5 million. Now I think I have to say . . .

A MEMBER: Four million.

MR. GREEN: That's right. He was talking about, talking global figures, that they are not 100 percent right, but 5 million is a good round figure. --(Interjection)--That's right. Four million for Manitoba Mineral Resources, and Resources for Tomorrow, 1 million, those are the two that I read out. There's another amount in there which is a residue under the Mineral Resources Assistance Act, which is an Act under which the government provides mineral assistance on a 50 percent basis, a leftover Act and there were some leftover commitments. I believe that that is what it's for. It's 125,000. That's why I say the 5 million is a round figure.

MR. CRAIK: I notice that the Minister refers to the 4 million as being the Manitoba Mineral Resources. Did he mean there, Manitoba Mineral Resources Limited, or Manitoba Mineral Resources as a separate program of the government?

MR. GREEN: The honourable member will be aware that there is under the Manitoba Mineral Resources Limited a capital appropriation, that is the exploration company. This \$4 million is separate and apart; it doesn't go to the exploration company unless they file an application and get 50 percent Crown participation, which then would make it a 100 percent program. It is the departmental regulation part of the participation program.

MR. CRAIK: - Well, Mr. Chairman, I want to re-emphasize the comments that were made the other night when this was held over until this discussion, that I think that the regulations when they were written, the mining regulations, which were probably written decades ago, were intended to prescribe the terms and conditions of leases and claims, and so on, to the private sector. I gather from the comments the other night by the Minister that the right of the government to take a 50 percent equity in the developments that it chooses to participate in, is based on the regulations as they were written "who knows when" in history, because it doesn't indicate here exactly the date those regulations were put into effect. But it says, and I presume this is the clause it is put under, "prescribing terms and conditions, subject to its leases of and permits relating to mineral locations, or certain classes of leases of and permits relating to mineral location shall be issued." And you can almost tell to read it when you read it in context with the rest of the regulations, it is really the sets of controls that are put on the operations of companies in their own, you know, of doing their work on Crown lands, and so on. I agree that the government had the full right to bring in a royalty program that didn't require a bill in this House, but I think that a government program that is going to set the stage for a takeover of 50 percent of future mining developments in Manitoba, is a matter that should come to the House for a full-blown debate under the aegis of a bill in the Legislature.

I think that setting royalties is a matter than can be done and it is accepted it can be done, but I think we have the - well, to boil it all down, we've got the wrong bill in the House. The bill in the House should be the bill that sets out the terms and conditions for the government to take over 50 percent of the mining industry or such other percentage. Actually, if you

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(MR. CRAIK cont'd) . . . . want to extend this to its logical conclusion by this one little clause that was written into the Mines Act some time in history, the government could say that they're taking over 100 percent of the mining industry if they wanted to. No more . . .

--(Interjection)--That's it. You find a good mining stake, you make a good find, you show us your work after you've put up more than \$10,000 into your work, and if we like it, we'll take it. That could be done under this clause, and I submit that this clause was never intended for that purpose, but that's the way it is being read by this government. Now a move such as that I think deserves a bill in this House, because it's too important a move by government to do it under regulation. This is a danger in writing regulations, that all the important things can be done by regulation and all the unimportant things, if you want it that way, can come to the House in the form of a bill, and we could spend all our time debating the unimportant matters in a bill, while at the same time the government by a Cabinet decision has simply advised its staff that they will now interpret this regulation in such and such a way, and in this case it's a takeover of the mining industry, or 50 percent of it in future.

So that's the important point I was trying to make the other night, Mr. Chairman. I think it's the most important move by the government in 1975, and probably for several years, in terms of getting a greater involvement in the economic affairs of the province, not just the affairs of looking after the people's interest from the point of view of governing the way by which minerals are removed from the ground, but an important move into determining the economic vehicle that is going to be used by which these minerals are going to be removed, and in this case it's taken this very simple three-line statement in the regulations and say, under this regulation we will now take the option on 50 percent of all future mining developments.

I think that the evidence is already before us that it's having its impact. I'm advised, and I don't know in detail, I'm advised that there hasn't been one mining claim filed in the Province of Manitoba in 1975, not one mining claim since the 1st of January of this year. I mean, we heard stories about the mining industry being turned off and the prospectors being turned off; but if this is the case, if the private sector has not in fact filed one claim in the Mines' office, then this speaks louder than anything else, the private sector, not just the mining companies, the prospectors, the whole industry has in effect said, "It's not worth it; we're not getting into the game." Now what this does is effectively say that the government now if there's going to be any future development in the Province of Manitoba, it's going to have to be by the government.

Furthermore, with this all going into the department and not into the Manitoba Mineral Resources Limited, can the Minister advise whether his department in fact is planning or looking towards establishing its own development vehicle within the department, not in the Mineral Resources Limited but in its own department? So I think that that's an important question, because this is going to be critical. Manitoba Mineral Resources Limited is carrying on its own program, and has been, we've heard them at the committee, but this money here goes into, not that organization, but directly to the department. And it's not entirely unknown that Manitoba Mineral Resources Limited is trying to run its own show and its own program, but the dollars are in the department and not in the company that set out to develop mining on its own, which is Manitoba Mineral Resources Limited. We'd like some indication from the government what their intentions are exactly.

Well, we have in summary, we have this situation. We have the Mines Act, regulations have been used as an instrument by which the government has said, we will take a 50 percent equity if we so desire in all future mining developments in the Province of Manitoba. We have a case where it's indicated that the number of mining claims in 1975 has gone, if not to zero, very close to zero. There have been no claims filed in 1975, indicating no activity by the private sector; they're already either in a state of shock or they have made a decision, that Manitoba is not good grounds on which to base future explorations. Now we have a large capital sum going into the Department of Mines and Resources, which is for capital investment, presumably under the program of investing with the private sector. We'd like some indication that that is entirely the use of the money, or is the department itself planning on setting up its own development branch to go out and do its own development work, since nothing else is happening in the province? The private sector's doing what it's been doing, mining its proven claims where it's already done its development work, but no new work or exploration work being undertaken.

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MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: Well, Mr. Speaker, the honourable member asks a fair question, and I'm rather delighted that he has identified the main thrust of our mining program. Because I have been trying to convince everybody, including the mining industry, that our main thrust is in the participation end and not in the taxation end. So if at least I have one person who understands the position that the government has taken, although it's been expressed over and over again, that we have at least the Member for Riel to whom it has gotten through, then I am grateful and I thank him for explaining that position to the Members of the House.

Now the honourable member takes the position that this is a drastic undreamed of change with regard to what is available under those regulations. The only thing that the honourable member has proved is that his dreams are different than other people's dreams. (hear hear) Because I think it is a drastic undreamed of, unheard of use of regulations to permit mining companies to take Crown lands from the people of Manitoba, put almost nothing into them, have them renewed on a 21-year basis with almost no work done, under those regulations. And that's what the Government of the Province was doing before this government took power. Now I consider that drastic. I consider that undreamed of. I consider that horrendous. I think that anybody who did that was taking regulations which permitted them to do otherwise, and perpetrated a mass give-away of provincial resources to private persons. And I will show the honourable member, I will take him over the ten years of what was taken out of the province by virtue of those regulations, and what was left in provincial royalties and fees as permitted under those regulations.

Now I think Mr. Chairman, that that is drastic. I think it is unheard of. I think it is incredible that it could be done behind Cabinet doors. And that is really the reverse dream of the dream of my honourable friend. Now my honourable friend likes to describe this as a take-over of the mining industry. It doesn't deal, this regulation does not deal with a single existing productive industry. No producing plant is affected by this change in regulations. Furthermore it doesn't take anything from anybody. The honourable member in the use of the word "take-over" would like somebody to think that the government is coming in and taking something that belongs to the mines. That's not what's happening at all. What the government is saying is that this land, which belongs to the people of this province, will be developed under certain terms and conditions. Let's see how fair those conditions are. All we are saying is that when you wish to develop, the owner of the land will have a partnership with you.

Now, Mr. Chairman, do you know that that is what the prospectors and other claim holders have been doing for years? They've been staking claims in the Province of Manitoba for almost nothing, then they are the owner of the claim, then they make an equity deal with the mining company to participate with them, and don't put up anything. They put up Crown land from the Province of Manitoba, which they happened to have staked, get an interest in the mining company's development without putting up a cent. We have been much fairer than the claim holders. We have said that any interest we get we will put up dollar for dollar with you, that if there is \$100,000 development, we will put up \$50,000, and we will use your expertise, and we will proceed. That's better than the claim holders did. The claim holders were using our property, which you, without using those non-drastring regulations, let them have on the basis that they could then make this deal.

You know, Mr. Chairman, this has happened in many many areas. It has happened with timber permits. The government wouldn't dream of selling timber permits. That would be unfair. So we will allocate timber permits, and then the person who gets an allocated timber permit is permitted to sell it. The government wouldn't dream of selling liquor licences, of saying to a hotel, "We are going to charge you \$50,000 for the liquor licence." But the person who gets the liquor licence sells the government franchise to somebody else for \$50,000, and everybody says that that's terrific, that's entrepreneurship.

Well, Mr. Chairman, mill quotas, every single franchise that is given by the government for free on the basis that it's supposed to serve the public interests is then sold at a profit by a private enterpriser. So all we are saying now is that we're no longer going to give franchises for free which will then be sole to the developing companies, we will start with the development at scratch and we have made that plain. So don't let the propaganda get to you, that somebody is walking behind the table and looking at a deck of cards and choosing the best hand. You know that's kind of an interesting little folk story as the Honourable Member for Lakeside will tell it.

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(MR. GREEN cont'd)

But no mining company will confirm, and none of them ever said it before, that you come in to us with a program and we will put in money and develop it with you, and we are therefore getting a sure thing. Because there is no way from the expenditure of \$10,000 or \$100,000 that you are any further ahead in knowing whether there is an exploration deal there. As a matter of fact, Mr. Chairman, the tradition in the industry in many cases so far as the big companies were concerned - and I have arguments now between the big ones and the little ones - was that if a person walked in with an exploration program on which they have spent \$200,000, and walked into INCO or Sherritt Gordon and said, "Look here is what I've spent up until now. We would like you now to participate," that all that they would be given for that exploration program is credit for the money that they have spent, because there is nothing further ahead for them to give them anything on. However, we took that, we took that argument that the honourable member is referring to that was made by the prospectors, and we said, "Okay, if you say that what you've got is worth more than what you have spent on it, and we disagree, we will go to a judge and let the judge say what the value of that program is. Because we're not afraid. If the judge says that the value of the program is \$200,000, we're prepared to put up \$200,000 to meet that." But the same guy who asked for that has now got the reverse situation. He may have spent \$200,000 and it's worth zip, and if a judge says it's worth zip, then he doesn't get any credit for that \$200,000. So it works both ways. But we are prepared to give credit as determined by mining people being able to convince a judge that if a man spent 200,000, and it's a prospect and worth therefore more than 200,000, we're prepared to let a judge say so, and then we have to put up dollar for dollar for what that judge said for any interest that we get.

So this little story that is being told, that we have the right to look in people's cards and pick whatever we like, is not true. Absolutely not true, and that was never said by the industry. What did the industry say when we promulgated the regulations? They said the following: "We have been consulted. We don't think that the government should be spending taxpayers money. But if they are determined to participate, then the regulations that they have made are fair." The one group that said no, was the prospectors, and the prospectors we are contributing \$5,000 to a prospecting program, because every prospector really believes - and you know I'm not going to argue with it but it's not confirmed in the industry - that his little piece of land is worth far more with what he has done with it than what others have been willing to pay for it. That is true of the prospecting history with the private mining companies. And the private mining companies never said, "We'll let a judge determine it." We have said, because we are fairer. Because we have to be fairer, because we have come to the people and justify our position. And our position is that we're prepared to let that thing go to a judge if it's claimed that it's worth more than what we are allowing in terms of moneys expended.

The honourable member says that there hasn't been a single claim in the Province of Manitoba. Well, Mr. Chairman, let me at the outset say, that neither the Mining Bill, the Taxation Bill, nor the mining regulations were made for the purpose of attracting industry. They were not made for the purpose of telling them to go away. But they were not made for the purpose of attracting them. They were made as being the people's judgment, as represented by the government, as to what is a fair proposal whereby there can be a private-public development.

If the private industry thinks that it's there, I will not be displeased. I indicated last year in the House I would prefer to have 100 percent, but I recognized that the expertise, the energy, has found its challenges up to now in the private sector, and therefore if you want those people who have developed a capacity to meet those challenges, that there is some utility in dealing with them, and we have said that that is the way we are willing to go. If they don't go, Mr. Chairman, all that I can say is that if you will look historically and see what has been made by the private industry, that that is available for the people of the Province of Manitoba if they wish to take those challenges. I say that they have the capacity to accept that challenge, they have the capacity to attract the expertise to accept that challenge, and they have the capacity to conquer that challenge. And if they don't go, that's their concern. It will not cause me sleepless nights if we have to go 100 percent alone.

But the fact is that the honourable member is wrong. Now I don't know what he means by claims, and I'm not going to make my position subject to me being able to demonstrate that



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(MR. GREEN cont'd) . . . . we have attracted industry because that is not the position that we are taking. But those people who have told the honourable member that there are no exploration programs filed with the Manitoba Government, and that private industry has not had a single development program come to us for participation and exploration, are malicious people who are misleading the honourable member. It is not true. There has been, and I will announce it in due course, a response to our regulation. The department has been dealing with private sector people who have accepted these regulations, and a program is continuing which will utilize some of - I don't know how much - but some of this money. If all of the money is not utilized, and that is its first designation is to this company, then I tell the honourable member it's the private sector abandons the Province of Manitoba as a place where they can make money, and where they have proved to have been making money, and wish to leave that for the public sector, Mr. Chairman, then, we have made our commitment. Any drop in activity from the private sector will mean an advance in activity on the part of the public sector. There is room for both. But if one doesn't want to tango then the other will proceed on their own, and they will not do a tango, they will do something else. And that is quite acceptable to me Mr. Chairman.

Eric Kierans suggested that there be no private exploration permitted after this time. We have not been quite as socialistically minded as Mr. Kierans. Maybe it's his background that has made him realize the benefits of socialism far more than ours, because he, of course, knows whereof he speaks. He sat in the Liberal Caucus and a Liberal Cabinet in Quebec, a Liberal Cabinet in Ottawa, and on the Montreal Stock Exchange. So maybe he knows far better than we the validity of our position. He suggested that we not permit it. We have not followed that suggestion. We are permitting it. We are permitting it. We hope that there is a modus operandi between the two, but if there isn't we are prepared to go it alone.

MR. CHAIRMAN: The hour being 4:30 I'm interrupting the proceedings of the committee for Private Members' Hour, and shall return to the Chair at 8:00 p. m. this evening. -(Interjection)--Order please.

According to Rule 19(2) of our House Rules, I am returning to the Chair at 8 p. m. this evening.

PRIVATE MEMBERS' HOUR

MR. SPEAKER: Private Members' Hour. First item is Public Bills. Bill No. 12 - The Honourable Member for Radisson.

MR. HARRY SHAFRANSKY (Radisson): Mr. Speaker, I adjourned debate on behalf of the Honourable Member for St. Johns.

BILL NO. 12 - FINANCIAL ADMINISTRATION ACT AMENDMENT

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

MR. SAUL CHERNIACK Q. C. (St. Johns): Mr. Speaker, we have had occasion before to debate the principle involved in the bill before us, and I don't want to take too much time to review actually what has been said before, but I do want to come to a conclusion to point out what I said last year, and which no one in the Opposition had to my mind, responded to, in the light of what I have proposed.

Mr. Speaker, I note that the Member for Fort Garry who spoke on this bill, on the 6th of this month, describes that the procedure used by this government last year was adopted, and I quote now from Page 2139 of Hansard: "When it was necessary for them to raise money, when it was necessary for them to acquire Interim Supply, and when they were being frustrated and thwarted in that course by this Opposition with the Legislature in session, the procedure they adopted in going for the Special Warrants while the House was in session, seems to me to contain seeds of enormous difficulty," and he goes on. He recollects the position in which the Opposition found itself last year in the light of a tradition which he refers to and that is, "that the Opposition had the right in this Legislature and in any parliamentary body of this type, to prevent the government from spending the people's money, to prevent the government from obtaining more of the people's money, until the Opposition is satisfied in one way or another that the government has justified its action and that the Opposition itself has raised all the questions about that process that deserves attention." And I quote that from Page 2140 of Hansard of May 6th of this year.

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(MR. CHERNIACK cont'd)

Well, Mr. Speaker, I do not accept that the Opposition's traditional right is to prevent the government from spending money or obtaining money until it is satisfied, in one way or another, that the government has justified its action. Because we know, as we know in every Throne Speech, and I believe in every Budget Debate, that the Opposition is not satisfied, will not be satisfied, and is not expected to be satisfied before the government is put in the position to spend money on behalf of the people who elected them. What is required, what is essential of course, is a proper opportunity to debate the Estimates, to debate the program and policies of government, to review the past expenditures and justification for it, and to have adequate time in which to review the program and plan of government in its estimates of what it proposes to do during the following fiscal year. That is essential.

Mr. Speaker, I mentioned last year, and I repeat now, that before the government last year made the decision to pass the Special Warrants, which it did, it did so after considerable review and consideration of the impact of what it was doing, and clearly the government did nothing at all to prevent an adequate review of the estimates or of the public accounts of the previous year, or to consider in the estimates the programs and plans of the government. Nothing was done to prevent it.

I recall to you, Mr. Speaker, that what was involved was not the authority to expend moneys that would remove a review but rather the passage of Interim Supply. And when the Opposition stated last year that it was the first time, and I quote, "It was the first time that a special warrant was passed under these circumstances," I also pointed out that it was the first time that Interim Supply had not been passed by the end of a fiscal year. And really that was the point, that the Opposition embarked on a course which was predicted by them, but not openly, but was predicated on the fact that they would prevent Interim Supply being passed before the end of the fiscal year. That was a decision that they made. It's to my mind, to my knowledge, completely unprecedented, and I say that in relation to any part of them that I know of but of course I stand to be corrected, unprecedented that Interim Supply would not pass. Because when I was in opposition, and so far I believe I've been in opposition longer than I've been on this side of the House, but that of course will in time reverse itself and I will be on this side of the House much longer than I was in the Opposition, but never in the time I was in opposition do I recall Interim Supply taking maybe more than half a day, I think less than that, and that's because the opposition was anxious to make sure, that the government which was elected by the people to form the government was able to honour its commitments, and was able to pay its servants to whom the people of Manitoba look to carry on the business of government, regardless of what politics prompted the government in its policies.

I recall that there were questions or discussion relating to whether it should be 2/12ths or 3/12ths or 4/12ths of the amount in the supply measure that would be debated as to how much time would elapse before the Supply Bill itself was passed. I remember the Honourable Doug Campbell asking questions of this nature, "Do you really need a quarter, or a third, wouldn't a sixth be enough"? That seems to me the kind of debate that took place. Then it was passed, because the opposition of which I was part was anxious to get down to the real business of the House, was anxious to see to it that government continued, that government honoured its obligations, and I think that it's an obligation on the opposition as much as on the government side to make sure that obligations were met, that government continued to supply a service even though in opposition we disagreed with some of the measure being done.

So that I point out that where a special warrant was not traditional, and of course it wasn't legally possible to do it until this Assembly passed the change in the Financial Administration Act, so was it completely untraditional to deliberately embark on a course to prevent Interim Supply from being passed before the fiscal year ended.

I read now from Page 3540 of last year's Hansard, May 14, 1974 where I mentioned that the debate on interim supply during that year, and I quote, "which lasted some, well I think it was some 20 days from the time it was introduced; it was debated 20 days but it was introduced about April or rather March 10th or 11th, that the debate had gone to an unprecedented length." And you will recall, Mr. Speaker, that the debate was very wide-ranging, covered many subjects, the kinds of subjects that would be again available - it had been available under the Throne Speech, under the Budget Speech, under the Estimates themselves, and we've seen today how we've been discussing current policy issues under Capital Supply as well. So there's

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(MR. CHERNIACK cont'd) . . . .no question there was ample opportunity to debate the issues that were debated last year but under the Interim Supply measure.

May I recall also, and now I speak only from general memory, that debate was on second reading, it was not on the resolution itself because otherwise it would have taken up the time allocated to the 90 hours of Estimates. It was not debated then but rather it was debated in the House and therefore did not encroach on members times to debate estimates. But it continued at great length, and it was deliberately machined by the opposition to continue to the stage where there would be embarrassment for government. I remember at that time saying that it was I believe an embarrassment to the opposition as well, and the Member for Lakeside made the point and said, "Yes let the result or the cause of the result be imputed where it ought to lie. And if we in the opposition deliberately made it impossible for the government to pay its bills then we would be responsible for that," that's the position he took. I think I even have the section here where he said it but that's the position he took. But also I do recall, and I don't have that in front of me, but I do recall that he said that the opposition wanted to be in a position to negotiate - now that word is I'm sure correct - to negotiate the position. As I recall it, and again I'm speaking from memory, the position was that the opposition wanted that a commission of inquiry, judicial commission of inquiry I believe, be appointed to consider the allegations made by the Leader of the Opposition relating to certain expenditure of funds in Northern Manitoba. And that the whole attempt to put the government on the spot, and to put the government in a position where it would have to negotiate a position was this effort to make it impossible to pay the bills.

Mr. Speaker, to me that is not the intent of the procedure that we have before us. I don't believe that it is the intent of the procedure to force negotiation; I don't think so. I fully support discussions which take place regarding procedure in the House in order to see that we are able to carry out the business that sends us to this House and when there are discussions made about obtaining unanimous approval to skipping a certain part of the Order Paper, or going back to somewhere in the Order Paper, or going into Committee or not going into Committee, these are procedural matters that are discussed - I don't believe they're actually negotiated in the true sense of the word negotiation - but clearly the opposition wanted to be in a position to prevent the payment of bills, of obligations of government and I use the word "of government" in a sense different than of the government because once the elected government does make commitments then it becomes a commitment on behalf of the people of Manitoba - to prevent the honouring of those commitments in order to be able to start negotiating. And frankly, Mr. Speaker, I don't take credit for being a great parliamentarian, or being familiar with or knowledgeable of all the parliamentary traditions which we inherited, and most of which I accept - may I say some of which I think are nonsense but we still live within them and I speak now of - I must be sure lest I be quoted - that I'm talking about certain procedures that we have which relate to first reading, which doesn't mean a thing in this House, it's read for a first time. I never did understand the point to that. And there are other of our procedural requirements in our rules which seem to me to be redundant and unnecessary, but the important traditions are the ones I respect, but I don't respect when they may be abused and misused.

It had been suggested in the debate last year, and one of the Senators had been quoted as a constitutional authority which I believe he was as saying, that the proper procedure should have been for the House to prorogue and for the government to call a new session the next day, and then with the new session that of course in the interval, that brief hour, or that brief evening between the prorogation and the new session being called, why then of course a special warrant could be passed by Cabinet and then everything would be fine. Tradition will be maintained. I almost feel like singing about the importance of tradition from that Broadway musical. But, Mr. Speaker, you see this constitutional expert who showed to me that I wasn't in full accord with his thinking anyway at the time when he became, prior to his becoming a Senator, had this justified position of saying the . . . This justified position of saying, No. 1, prorogue the House. All the Bills die on the Order Paper, everything dies on the Order Paper. No. 2 the Premier has to send out word, or instruct that the session be called for the next day or the day after, and in between the two Cabinet must meet quickly, must pass the Special Warrant, must go to the Lieutenant-Governor, have it approved, and then we all meet again and we see the whole parade take place on opening day with a Throne Speech and the rest of it. That is the solution proposed by the honourable gentleman.

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(MR. CHERNIACK cont'd)

Now other people propose closure but the House Leader admitted to them that a motion to close is debateable, and we would have been all the way back to the other debate. So, Mr. Speaker, there is a form of closure - when I say closure is debateable what is debateable is the prior question be called, called the prior question, that's debateable. What is not debateable really is the closure of debate. And, Mr. Speaker, one problem with closure of debate is that it prevents debate carrying on, it closes debate. The special warrant as we did it, as we passed it did not prevent the House from continuing to debate all the important things that the opposition wished to debate under Interim Supply. By passing the special warrant business could go on, commitments could be met, but the debate could continue. And I'm not sure whether that isn't preferable because had the opposition wanted to vote confidence or non-confidence on the actions of the government, and the opposition had it within its power to bring the matter to a vote the very same day, and that would have been the question.

Now I want to deal only with the proposal which I made last year, and I want to throw that out as a sort of a - not a challenge, but for the consideration of honourable members this year. I said last year that I thought it might be possible that if a special warrant be issued by Cabinet during a session, that the Minister shall within a stated period of time - and I think I said 72 hours, I know I said 72 but that's a flexible period - after the special warrant is passed or if the Assembly is not then sitting then shortly thereafter, the Minister shall table a copy of the special warrant and introduce a resolution in the Assembly to approve the action of the Lieutenant-Governor-in-Council in issuing the special warrant, and that the vote shall take place the same day so that there should not be another extensive debate but that indeed the matter be introduced and dealt with that same day. And that procedure that I suggested would be clearly a vote of confidence. And if the Cabinet having issued a special warrant did so without the confidence, without being able to obtain the subsequent confidence of the House, then the Government will fail, and then the people will decide as to the actions of the government. It seems to me that that is still a possible way in which to ensure that any action by Cabinet by issuing a special warrant will be brought right back into this House for consideration and for approval, and what is more important to make it possible for the government to be defeated on that very issue, the issue of a special warrant, the non-traditional thing.

Mr. Speaker, I'd like to suggest that opposition members consider this proposal that I'm making. I think when I made it last year I made it with more authority than I can make it now but I did it last year. I said, "Let's work that out and maybe we can actually amend the bill and do it that way." And actually I had thought to amend a subsequent bill that was yet to come in, which I was bringing in dealing with the National Administration Act, and found again that the rules prevented my bringing it in at that time because it would have already have been decided. So it's still possible to bring it in now. Maybe members of the opposition will consider the advisability of doing just that. I'll bring in an amendment that's saying if the special warrant does pass by Cabinet then the House shall immediately devote its attention to what the Cabinet did, passing a special warrant, and the House shall then vote in approval or disapproval of the action of Cabinet and that really, as the Member for Lakeside said last year, will determine whether or not the House has the support of the people's representatives. And when the government is in the majority of course it will have it, as he said last year. It will have the power of numbers unless there are enough people who could be persuaded on this side of the House that the action was wrong, and if that is the case that's really the whole point of the debate that takes place in this House day after day, month after month throughout the year.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON (Sturgeon Creek): Thank you, Mr. Speaker. Mr. Speaker, it would seem that the member, or the government, believes in the traditions as long as they don't interfere with them. And that's really what we have coming from the government side of the House. The Member for St. Johns gave a bit of history of why we held up the Interim Supply last year, and basically we held it up because we thought the administration of the co-ops and some of the northern affairs were not being handled properly by the government. We asked for an inquiry into those affairs before there was any more money allowed to be spent in that area. We had the opportunity during Interim Supply to say that no, there is no more money going up there and we're going to fight any more money going up there until we do know that there is something being done about the management of that area. And strangely enough,

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(MR. F. JOHNSTON cont'd) . . . . Mr. Speaker, we had the opportunity to do so. I say "strangely enough." Isn't it strange that the role of the Opposition in a democratic society should be able to do that? That's what the government seems to think, that that's rather strange that we should be able to do that. In other words, they'd like to see the role of the Opposition continually reduced. That's really what you're saying. And here's the party that talks about tradition and the one that came out in the first Throne Speech and said, "Let's get rid of old dogmas." And this is the type of thing that we hear from the party.

But getting back to the history of why we did it. You know, we held up Interim Supply; as I said, the history was that no more money should be spent up there foolishly. And what did we have in the Auditor's Report this year? Mismanagement. The whole thing is written up in the Auditor's Report of money badly managed, wasted, missing - all of these things written up in the Auditor's Report. So really, were we such a bad group of boys over on this side to say to you fellows over there, "Gentlemen, you're not going to spend or waste any more money up there until we know what's going on with it"? Mr. Speaker, it's always very nice to be the government and say that we're going to pass a warrant and come in the House and give those nice fellows on the other side a chance to talk on it for a little while and then we'll pass it just so we can say that they could speak on it. You know, that is really something that is being suggested by the Honourable Member for St. Johns. And you know really when it boils down to it, the fact that you can walk in and pass any money any time you feel like it, you know why are we debating the Estimates?

A MEMBER: You don't need the Legislature.

MR. F. JOHNSTON: Why are we debating the Estimates? We're supposed to pass Interim Supply any time you say so because we've done it that way for years. Then we can now gather money up any time on warrant --(Interjection)--Yes, we're supposed to stick to the tradition. He's quite right. I said it. We're supposed to stick to the tradition of the government that said in their first Throne Speech, "Let's get rid of old traditions and old dogmas, but we're supposed to stick to them when it suits you.

Mr. Speaker, as I said, why are we debating the Estimates? Cabinet can walk into the Cabinet room today, pass some warrants, and pass the Estimates. Do you agree with that? That's what is said in the legislation right now. That's what it says you can do. And yet we are told that we are wrong when we present this change, or this amendment to the bill, that we admit went through when we were in government or was written up when we were in government, and are men enough to say it's wrong. We say it's wrong; let's change it; and if I heard the Honourable Member from Ste. Rose say "change it" when we get back, we will; and we will give you the opportunity to debate as long as you like.

Mr. Speaker, . . .

A MEMBER: Like we did before.

MR. F. JOHNSTON: That's right - like we did before. We had the opportunity to debate those as long as you liked. You had the opportunity to say, "We don't want to give you any more money unless it's being spent properly." And another thing; Mr. Speaker, we had a very simple solution to it too. We said, "Go out and bring in a bill for the amount of the salaries," and we got told, "Oh goodness, it'd take too long to write up a bill and go through all that sort of nonsense." I've seen a bill go through this House one, two, three, when it had to. We suggested that go out and wrote up a bill and bring it in, passing the salaries, we'll pass it right now, but we won't pass any more money to be wasted in Northern Manitoba. As the Auditor has said, it has been wasted.

So, Mr. Speaker, it's all very well to stand up and say, "We like the procedures when it suits us." It's all very nice to sit there smugly - yes, smugly - be in the position to say that we don't even have to debate the Estimates with you if we don't want to. --(Interjection)--Probably, you know - well, Mr. Speaker, are the honourable members telling me that they cannot go into the Cabinet and pass warrants for Estimates right now? --(Interjection)--Well I say you can do it and it was done last year. It was done. It was done. Right now you could go . . . and pass the rest of the Estimates right now, by warrant.

A MEMBER: Nobody would permit it.

MR. F. JOHNSTON: Nobody would permit it? Who's to stop the government, Mr. Speaker? Who is to stop the government? As a matter of fact if they did it, according to the Member for St. Johns they would bring a warrant in the House and let us talk on it for a little

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(MR. F. JOHNSTON cont'd) . . . .while and then pass it. So Mr. Speaker, let's not be silly about this thing. Let's be men about it and say that you're the government. Say that you are the government; say that you want to see the role of the Opposition; say that you want to have the role of the Opposition - when you will be in a few years, because I assure you we will give you that opportunity to come at us any time you want, and we'll appreciate it. As a matter of fact, I don't know that I would want you men as the Opposition when I was government, because you don't believe in the role of the Opposition. I want an Opposition that'll do something, and you don't. I want an Opposition that can do something and you don't. So, Mr. Speaker, it really boils down to this: We like the procedures. We like them very well, providing they don't rub us the wrong way and providing they don't put us in a bad position, and we will tolerate those fellows just as long as they don't push us too far; as long as they don't get too tough as Opposition, we'll tolerate the present rules, Mr. Speaker. That's what that government believes in, as far as I'm concerned anyway.

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

MR. WALLY JOHANNSON (St. Matthews): Mr. Speaker, I move, seconded by the Honourable Member for St. Vital, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: Bill No. 4. The Honourable Member for La Verendrye.

MR. BOB BANMAN (La Verendrye): Stand please, Mr. Speaker.

RESOLUTION NO. 2

MR. SPEAKER: Resolution No. 2. The Honourable Member for Sturgeon Creek has 10 minutes left.

MR. F. JOHNSTON: Well, Mr. Speaker, here we are back at this old Resolution again, where we want to have hearings as to whether the government should go in business.

A MEMBER: Back to the old stand.

MR. F. JOHNSTON: Yep. And of course this is the one where I said the other day that I walked into a trap with my eyes wide open, both feet running into it, and got nailed right to the cross by the Honourable Minister of Mines and Natural Resources.

Mr. Speaker, I am not a person who believes in that many hearings and meetings. I think that's been made very clear. So one would wonder why I would take the opportunity to speak this last 10 minutes that I have. Mr. Speaker, it boils down to this: When you have tried everything, when you have pleaded with the government to please stop wasting money in business, when the proof of government in business is such that it's a failure most of the time, when the proof of the fact that when we were in government and when they're in government it's been a failure most of the time, and when you keep butting your head against a brick wall for six years, hopefully across this room . . . And it should be able to be done across this room; we should be able to get through to them once in awhile across this room, and convince them not to play monopoly with our money - and I say that very cautiously Mr. Speaker because I don't want to have another game in here next week. But the thing of, you know, the word "monopoly" as the Minister says, that when everybody ends up with all the money, and of course the only way the winner is . . . . is the board; we may have it out.

But now the government is ending up owning everything and losing money on everything, and he says, "Well how are we losing it?" Of course, the only way he does it, he picks the cards he wants to pick, you see. That's the way this government works. Same as tradition - they pick the cards they want to pick. They roll the dice the way they want to roll them and when they want to roll them, you know. And they load it on their side. You know I really couldn't play monopoly. I don't like going into a stacked deck - because they can sit and pass legislation and do whatever they like at any time.--(Interjection)--Yeah, that's right. But the thing is, Mr. Speaker, so we have been going through the procedure of trying to convince you from this side of the House that there are people within this province and people within all parties - not just ours and the other party in the House here on this side, and your party - all parties, who don't believe that the money should be wasted in business.

So what do we ask? Maybe - maybe - the people can come in and convince you. And of course your attitude towards the meetings will be all the business people will come in and say, "Don't go into business," and there'll be other people come in and say, "Go into business." But it wouldn't be bad to maybe hear both sides of the story from outside of this House. We

## RESOLUTION 2

(MR. F. JOHNSTON cont'd) . . . .hear both sides of it inside this House so maybe we should hear both sides outside of this House.

The other thing I'm going to say, Mr. Speaker, is this, and I said it the other day: The reason I would like the meetings is that the people coming there saying don't go into business, or go into business, I wouldn't agree with them, as the Minister says, because the proof . . . I would be standing there saying, "You know, here you are; here you are all asking me to have the government go into business," and I would say, "No. No. I don't believe in the government in business," and they'd say, "Well, that's fine," And I'd say, "Well do you know why I don't? Because it proves disastrous." I've got the proof behind me. I've got the backup of Saskatchewan and Manitoba and many things in Canada - B. C., everywhere. I've got the backup, but I'd say to the person, "You know, I was elected . . ." No, Mr. Speaker. No, Mr. Speaker." "I was elected, Mr. Speaker, to give the benefit of my advice and my experience, and my experience is that I don't think, in fact I know, government in business is disastrous. So I'd say, "No. I won't go for it." I'd stick by my principles.

But the honourable members on that side of the House, when people say to them, "Don't go into business," and you say, "Yes I'm going," - why? Because it's a philosophy. Because it's a philosophy. You would rather see hospitals suffer from a shortage of money. You would rather not negotiate with doctors. You would rather cut back on things that you said you were going to do for the people of this province and waste millions of dollars in business.

A MEMBER: Right.

MR. F. JOHNSTON: So, Mr. Speaker, they say that they want to be in business, not because of experience, because of philosophy. Now, that's really the way it goes. You know, I saw a cartoon in the Free Press, the Minister flying over Saunders Aircraft waving dollar bills out from underneath his arms. You know, you'd think the Minister of Health (who isn't there) - could we convince the Minister to fly over a couple of hospitals? Do you think that we could? Do you think that we could - there's neither one of them there - we could nudge the Minister, he could nudge the Minister of Agriculture and say, "That \$9 million you're going to spend on a whey plant that's going to take ten years of losing money and putting other dairies and creameries and everybody out of business in the dairy business, do you think possibly - do you think the Minister of Health could turn around and tap the Minister of Agriculture and say, "Do you think I could possibly have a little bit of that money for hospitals?" So I don't really buy that nonsense from the other side of the House, the fact that they go in business just strictly because it's a philosophy. They want monopoly. They want to be in control of cash flow, land and business in this province . . .

A MEMBER: And people.

MR. F. JOHNSTON: Yes, and people. And you don't kid us on this side. So while we have been telling you this, and we keep telling you this, and I will keep telling you this, possibly if you have some hearings, somebody, somebody will be able to get through to you.

A MEMBER: No way.

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

MR. JOHANNSON: Would the honourable member submit to a question?

A MEMBER: Certainly.

MR. JOHANNSON: Yes or no?

MR. F. JOHNSTON: Yes.

MR. JOHANNSON: Oh. Has the honourable member bothered to check the Annual Reports of the Saskatchewan Crown corporations that he was talking about? The reports would show that as of 1970, when I last looked at them, there were cumulative surpluses deducting any losses or deficits of over \$200 million.

MR. F. JOHNSTON: Mr. Speaker, I would have to ask the member to elaborate out of which companies he's talking about. Is he talking about automobile insurance or what . . . ? I'm not really with him there, you know . . .

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I must say that the honourable member has done what I once indicated to David Lewis I thought that he had done, and I don't know whether Mr. Lewis took it as a compliment or the reverse. I said that for a man who is pursuing an untenable position, he is doing a magnificent job. And the fact is that no one knows better than the Honourable Member for Sturgeon Creek that he has an untenable position, because he is talking

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(MR. GREEN cont'd) . . . .about whether we should set up a special committee to determine, to examine the role of government in business, and I know as well as the honourable member knows, that he doesn't believe that a special committee is the way of dealing with this question, that a special committee is not going to change his mind as to whether the government should go into business, and it's not going to change the minds of members on this side who may have a different idea as to whether the government should go into business, and therefore the committee that is referred to is nothing more than a window dressing which is intended to provide a different political arena for trying to convince something which some members on the other side somehow don't believe they have the credibility of convincing people themselves on. Because what does it really mean?

It means that the elected representative for St. James, the elected representative for Sturgeon Creek, the elected representative from River Heights, the elected representative from Lakeside, feels that he is unable to make this point to the people himself, and therefore it might sound better if Mr. Hare, for instance - and I choose this example studiously and advisedly - comes before the committee, where we don't sit any longer as representatives of the people giving our judgments, but we appear to sit as adjudicators as to what he is saying and therefore somehow have more credibility. And I heard this referred to in the land-use hearings, that somehow these poor, uneducated, ignorant - and those are not my assessments; those are the assessments of some pretty unsophisticated reporters of the Winnipeg Free Press and the Winnipeg Tribune or else naive reporters - that these poor, unsophisticated-like hayseeds with straw sticking out of their ears are coming to committee giving a reasonable farmer's unbiased, non-political opinion, and therefore they should not be put into the political arena and asked to debate.

Now everybody knows that that's a bunch of junk; that once a committee meeting is set up, that the committee meeting becomes another political arena and that there will be vested interests of one kind coming to the committee meeting, vested interests of another kind coming to the meeting, and to describe for instance W. J. Parker's son, who's been involved in farm politics as long as I can remember farm politics, as somehow being an outside observer with no political axe to grind, merely indicates that we are doing a disservice to the public by creating a sham. And nobody, but nobody, had a more serious result of this type of situation than the Member for Lakeside - and I will have to concede that he got there inadvertently, but he got there.

The Conservative administration in 1968 gave the pretence - and I'm going to try to soften that word - were led into giving the pretence, that the Hydro Electric program in Northern Manitoba, on which they had committed \$2 billion, was going to be decided in an auditorium, and that whoever came to the auditorium and made noises and gave evidence was going to have effect on the General of Waterworks - what do we call him now? Director-General of Waterworks? - and that Director-General of Waterworks was going to come to the Minister and say, "I have listened carefully to all the evidence and I have concluded that you should not have a Churchill River Diversion," and that the Member for Lakeside was then going to go to the Hydro Electric Corporation and say, "I have held these hearings and, as a result of hearing all the evidence and the result of the recommendation, we are not going to have a Churchill River Diversion."

Now everybody knew that the Hydro program was not going to be determined in that way, but at that time there seemed to be some suggestion that the elected representatives of the people - and by the way, that has even increased since that date, and people like the Member for River Heights has more than underlined that fallacy - people seem to have adopted the position that everybody except the elected representatives of the people speaks for the public, that the elected representative of the people is not speaking for the public; as a matter of fact should not presume to do so. He is supposed to listen to everybody who comes, regardless of what support they have or regardless of what credibility they have established, and he suddenly becomes the public representative, and he is to make the decision and you are to listen and do as he says. That has become a feature of what somebody has thrown out in the phrase "participatory democracy." And therefore the Member for St. James, and the Member for Lakeside I am certain, knows the fallacy of that position.

When I was sitting on a television program with the Leader of the Opposition - and this was three years back and we were discussing Lake Winnipeg regulation - the Leader of the



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(MR. GREEN cont'd) . . . . Opposition seemed to get the impression - which was a false impression - that Cass Booy and Bob Newbury were against Lake Winnipeg regulation, because I had a disagreement with them on the Water Commission and terminated their appointments. No, I didn't terminate Newbury's - he resigned. Booy quit. He resigned and Booy did not have his appointment terminated. So the Leader of the Opposition reasoned as follows: "Why is Green having a fight with these guys? Obviously they don't agree with Lake Winnipeg regulation. We don't agree with Lake Winnipeg regulation. Therefore, all I have to do is get Booy and Newbury reinstated and we have defeated the government position."

So we sat on a television program and talked about Lake Winnipeg regulation, and the Leader of the Opposition said that he is prepared to do whatever Dr. Newbury and Mr. Booy said. That was his position, and I was astonished to hear that position because, first of all, Newbury and Booy both agreed with Lake Winnipeg regulation. They were setting themselves up to fight the battle of the Churchill River Diversion, and if he had done what they said on the basis of their public meetings, he would have continued with Lake Winnipeg regulation and cancelled the Churchill River Diversion - if he had had to follow through. And that is the stupidity of the remark - and I say "stupidity" advisedly - of saying that "I will do whatever Mr. Booy and Dr. Newbury say." Because, Mr. Speaker, I will do what it is my judgment to do. After I have taken into account all the considerations and heard whatever opinions are forthcoming on the issue, I will then do it and accept responsibility for it. I will not say that that was done because Dr. Newbury and Mr. Booy said so.

Now earlier in the day we had a discussion with regard to the Manitoba Development Corporation, and I say that my responsibility with regard to the Development Corporation is somewhat different. My responsibility there is to see to it that I staff that corporation with people who can run it, and ultimately to accept responsibility for what they do, but the Development Corporation is the kind of corporation where if you say you are going to deal with commercial expertise, just as the Hydro Development Program, then you have to at least rely on that expertise or get rid of them. And that is my responsibility. But the Member for River Heights said that he would do whatever Dr. Newbury or Cass Booy said.

Now the Member for St. James is the one who introduces this resolution, and it's interesting that he would introduce the resolution to have these so-called public hearings and meetings to discuss these things as if he is prepared that this matter be determined in fact in an auditorium, and that if by chance, if by chance I am the better political organizer than he is, and I happen to get 600 people to that auditorium saying, "We love business", and he can only get 200 people to that auditorium saying, "We don't love business", that he would be guided by the will of the people and he would put the government into business. Now if he says that that is not so, then why is he producing this resolution with regard to meetings? Why is he not prepared to say that the credibility of the position depends on the credibility of the elected representative of the people who is pursuing that position? Because - and I have to now nail down the point - the Member for St. James did exactly that and had exactly that experience. And what was his experience as a result of the meeting?

In 1973, just before the provincial election, the City of Winnipeg was making its annual assault on the government, that "we are not getting any money; that we want to share the growth taxes." And, Mr. Speaker, they didn't get the growth taxes. So the city formed a trio - they were a blue singing trio. There was Councillor Minaker, the Honourable Member for St. Johns; Councillor Yanofsky, the Member for Seven Oaks; Councillor Wankling - I hope I'm not wrong - the Member for Wildewood; and I believe the Mayor was involved. And this trio was to go from community committee to community committee - the program was to go to 13 community committee meetings. At each community committee they were to sing the song: "How Come You Do Us Like You Do, Do, Do?" relative to the Provincial Government. So they held a meeting, in St. James, I believe, the meeting was in St. James; they held a meeting in St. James, and Mr. Speaker, the luck of the trade was that the meeting was well attended by New Democrats, that the New Democrats were well-armed with statistics, with arguments, with sheets of paper, with presentations, and of the 60 people that were there . . .

A MEMBER: All non-political.

MR. GREEN: Oh yes. These were non-political hayseeds with straw sticking out of their ears, who came as citizens, you know, merely to hear from their elected councillors and to tell them how they wanted the city to be run. And these people came and said, "We think that the

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(MR. GREEN cont'd) . . . province is doing a good job. We think that you are being unreasonable. We think that you are spending too much money. We think that you are being unfair to the Provincial Government." So what happened? The Member for St. James, did he say, as . . . with the meetings, "Yes; well obviously the province is good. The people have spoken"? He said, Wankling said - to Steve Juba's credit he didn't say it - "That was no meeting. That was a bunch of New Democrats, and we're going to cancel future meetings." And that's what happened. They never held another meetings.

MR. SPEAKER: The Honourable Member for St. James have a point of order?

MR. MINAKER: No, a personal privilege.

MR. SPEAKER: The Honourable Member for St. James state his matter.

MR. MINAKER: I don't believe, Mr. Speaker, that you'll read it anywhere or have heard it anywhere that I suggested that that meeting was dominated by NDP and that they had instituted what had happened. I don't think the Honourable Minister will have seen that anywhere in print or heard it on the radio that, I as a councillor, George Minaker, ever made that statement.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: If the honourable member tells me he didn't make the statement, I withdraw the allegation that he made the statement, immediately and without equivocation. Somebody from City Council made that statement. I believe it was Dick Wankling. Steve Juba said that these people are citizens of Winnipeg. I thought that the Member for St. James also made the statement, but if he tells me he didn't, I won't look for it anywhere. I accept his word that he didn't and that's it. I apologize for attributing that statement to him. But everything else, Mr. Speaker, I say is correct, that they were scheduling 13 meetings, that they came to that meeting, that they faced the barrage of New Democrats. Citizens of Winnipeg, non-political in nature, with no axe to grind, merely interested in the good and welfare of the Unicity that was established at that meeting. And they decided they don't want any more meetings. They had enough, and they didn't call another meeting. And that is correct, that there were 13 meetings scheduled.

Now why are we fooling ourselves? The Conservative Government doesn't want to go into business. That's a reasonable, valid position. It can be satisfied on ideological grounds, it can be satisfied on practical grounds. I disagree with the Member for Sturgeon Creek but that's only a debating difference. I say that you are the ones who say that you won't go in for ideological . . . I say that it is the Conservatives who say, when we say why would you not have the government involved in a commercial enterprise, that they are the ones who say, "We do not believe in it. We believe in free enterprise." That it is not we who say we will go in because we believe in it. But that's all right. We go in because we say that it is a practical way of dealing with a problem; that it is the best way of dealing with the problem. We object to some of the ways in which it has gone on up until today. We've asked to change it and it's the members of the Opposition who say, "No, we don't believe that the Manitoba Development Corporation should have its hands untied and be permitted to do that type of thing. We think that that is against our ideology."

So I disagree. But, Mr. Speaker, why do we have to be - and I hope that I'll have two minutes, Mr. Speaker - do we have to have the Conservatives, the Conservative Party, embarrassed by Mr. Hare? Do you remember what Mr. Hare said at the meeting, at the land-use committee? I want the Member for Lakeside to hear this, because Mr. Hare, Conservative, came to the land-use committee; he said that nothing that he says is based on opinion, that everything that he says is based on analysis from objective facts; that on this land-use question there should be a group of technical people who think only in facts, have no opinions, and that they will study all of the information and they will come to a conclusion, and that's the conclusion that should be followed, not the conclusion that is established by the politician.

I asked him this question: If every Conservative representative was elected on a policy of not buying land, that the government will not buy land, and they were elected to government, and they established this committee and this committee came out and said, "Buy land," after the objective analysis of all the facts and coming to that conclusion, he said no, the Conservative Government should then not; they should buy land as determined by this actual committee. Now are we going to get into that kind of junk?

MR. ENNS: A point of order, Mr. Chairman. Not a point of order . . .

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MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: . . . but a matter of information. Perhaps, of course, that's why Mr. Hare lost when he ran in an election as a Conservative.

MR. SPEAKER: The Honourable Minister.

MR. GREEN: There must be an intuition because he lost before he said that; that the public must be able to see, the public must be able to have a gut feeling about what is a reasonable person and a reasonable position. Now let's fight it out. Let's fight out the question of the Crown or public involvement in Crown enterprises, but let's forget this nonsense of saying that we are waiting to find out what you, the people, say. And, you know, the Member for Sturgeon Creek, he agrees with me on this issue more than on any other issue that we have talked about. He would not have anything to do with the Committee, and that's why, Mr. Speaker, that I say, for a person who was in an untenable position, he behaved magnificently.

MR. SPEAKER: The hour being 5:30, I am now leaving the Chair and the House will reconvene in Committee of Supply at 8:00 p. m.