

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Monday, May 26, 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 32 students, Grade 8 standing, of the Earl Grey School. These students are under the direction of Mr. Slobodian. This school is located in the constituency of the Honourable Member for Crescentwood.

On behalf of all the honourable members, I welcome you here this afternoon.

Presenting Petitions: Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports; Notices of Motion; Introduction of Bills. The Honourable Minister of Consumer Affairs.

INTRODUCTION OF BILLS

HON. IAN TURNBULL (Minister of Consumer, Corporate and Internal Services (Osborne) introduced Bill No. 56, an Act to amend The Landlord and Tenant Act.

HON. LAURENT L. DESJARDINS (Minister of Health and Social Development) (St. Boniface) introduced Bill No. 52, The Dental Health Services Act, (Recommended by His Honour the Lieutenant-Governor of Manitoba); and Bill No. 53, The Dental Health Workers Act. (Recommended by His Honour the Lieutenant-Governor of Manitoba).

MR. WALLY JOHANNSON (St. Matthews) introduced Bill No. 59, An Act respecting the transfer to Federal Business Development Bank of all the property rights and obligations of Industrial Development Bank.

TABLING OF REPORTS

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, I have here for tabling, seven copies of an Order of the House No. 4 on the motion of the Honourable Member for Pembina.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q.C. (Leader of the Official Opposition) (River Heights): Mr. Speaker, my question is to the Minister of Municipal Affairs. This relates to the meeting at Gimli of the Manitoba Association of Urban Municipalities, and I believe he was in attendance. Can he indicate now whether there is a change to be considered as far as government policy with respect to providing the municipalities of Manitoba with additional opportunities with respect to growth taxes, further to the statement that was made in the budget?

MR. SPEAKER: The Honourable Minister of Municipalities.

HON. HOWARD PAWLEY (Minister of Municipal Affairs) (Selkirk): No, Mr. Speaker.

MR. SPIVAK: Did he not acknowledge that the government would weigh very carefully and give consideration . . . Well, can he indicate what he meant, what position the government would take with consideration to weigh carefully the recommendations of the municipalities that, in fact, there be shifting portions, in addition to the provincial growth taxes that have been announced, of other potential taxation to be raised by them?

MR. PAWLEY: Mr. Speaker, I'm not quite sure of the quote that the Leader of the Opposition is referring to, but certainly it did indicate that the government was persistently and constantly weighing sources of revenue insofar as municipalities were concerned, and I certainly did indicate that the recent Budget Address did, in fact, increase the amount of potential to be distributed through growth taxes.

MR. SPIVAK: I wonder if the Minister could indicate whether he indicated to the organization that the government was prepared to consider assumption of additional costs of education to be able to relieve the municipal taxpayer.

MR. PAWLEY: Mr. Speaker, I'd have to check my notes. I don't believe that outside of indicating that very serious thought would be given to any and all means of improving the support for education, that any specific reference was made by myself in that connection.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Consumer Affairs and the

ORAL QUESTIONS

(MR. SPIVAK cont'd) Minister of Health and Social Development. I wonder if he can indicate whether - and I'm not sure which department would be involved - whether either one or the other department has in fact commenced any additional study as a result of the Consumer Association of Canada's report with respect to the germ content in certain chain outlets distributing milkshakes, and unfortunately for Manitoba, several of the places indicated were in Manitoba.

MR. SPEAKER: The Honourable Minister of Health.

MR. DESJARDINS: No, Mr. Speaker.

MR. SPIVAK: Well I wonder if the Minister could acknowledge that this would be within his jurisdiction - that is, the actual follow-through of any public announcement or certification that in fact a germ count which was dangerous to health found in outlets in Manitoba.

MR. DESJARDINS: Mr. Speaker, I was under the impression that this was a matter concerning the Federal Government, but I'll take it as notice, and if there's any extra information that I can give my honourable friend, I will.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. R. (BUD) SHERMAN (Fort Garry): Thank you, Mr. Speaker. My question is to the Honourable the Minister of Education, Colleges and University Affairs. I would like to ask him if he can advise the House whether he will be meeting in the very near future with concerned parents in St. Norbert on the subject of the school board decision there to build an all-French school on the St. Norbert School site.

MR. SPEAKER: The Honourable Minister of Education.

HON. BEN HANUSCHAK (Minister of Education) (Burrows): Mr. Speaker, I'm advised that there are a number of concerned parents, as the honourable member described them, who have presented a petition to my office expressing their concerns about some proposed building plans of their school division. I have not had an opportunity to examine the petition as at this point in time, but I did meet with a group of parents earlier today, in fact within the past hour, and I assured them that as soon as I will have had the opportunity to read the petition and obtain the full details of the case, I'll be meeting with them - or at least I'll be communicating with them, depending on whether a meeting will be necessary or a communication by letter.

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

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. I've a question for the Attorney-General, the Minister responsible for the Liquor Commission, and I would like to ask the Minister if there have been any increases in the staff of the liquor inspectors in the Province of Manitoba recently.

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: I would take that question as notice, but I would like first the Member for Birtle-Russell to define what he means by "recently." Within the past six months, or three months, or . . . ?

MR. GRAHAM: Within the past three weeks.

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

MR. GRAHAM: A supplementary question. I would like to ask the Minister if all those positions had been bulletined through the Civil Service Commission.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Mr. Speaker, I direct a question to the Honourable the House Leader, and wonder whether or not he can give us any indication at this time as to how many more bills we can expect to be presented to this Chamber during this Session.

MR. SPEAKER: The Honourable House Leader.

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources & Environmental Management) (Inkster): Mr. Speaker, I would estimate approximately seven, not more than fifteen.

MR. ENNS: I thank the Honourable House Leader's generous estimation.

MR. SPEAKER: Question please.

MR. ENNS: I direct a question to the Honourable the Minister of Agriculture. I wonder if the Minister can tell me that contained within those seven or fifteen bills there shall be one bill establishing the whey plant or the new dairy facilities at Selkirk.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): Mr. Speaker, no, I cannot tell him that.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, my question is to the Honourable the Minister of Labour. I would like to ask him whether the new legislation, the new bill still to come in, will include legislation giving the Civil Service the right to strike.

MR. SPEAKER: The Honourable Minister of Labour.

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): There's some question, Mr. Speaker, in reply to my honourable friend, whether or not. They do not have that right at the present time.

MR. SHERMAN: A supplementary, Mr. Speaker. Could the Minister advise whether there will be legislation introduced in that area to clarify the question to which he has already referred.

MR. PAULLEY: My answer to my honourable friend - as indicated by the House Leader, there are a number of bills to come in. They will be revealed as they come in.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, my question is to the Minister of Municipal Affairs. The Minister, I understand, indicated over the weekend to the urban municipalities that the government is now considering, or the Minister's considering, sharing of growth taxes with the municipalities. Is this correct and is this a change of government policy?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Speaker, I would suggest that the Honourable Member for Assiniboia relate to the answers that I presented to the Leader of the Opposition earlier.

MR. PATRICK: Mr. Speaker, a supplementary. The Minister also indicated he would be having a survey, or conducting some kind of an investigation or dialogue with the municipalities. Is that to do with the financing, or what is it in respect to?

MR. PAWLEY: Mr. Speaker, as we all know, the Province of Manitoba was the first province to commence a system of sharing of growth taxes, the income and the corporation tax with municipalities, the first province in Canada to do so, and we established that process last year, and in fact it has been extended by the developments that occurred during our Budget Address, where we are replacing the fixed unconditional grants by providing to municipalities the points in respect to income and corporation tax. So, to that extent, Manitoba has led the way insofar as providing assistance to municipalities through growth taxes.

Secondly, insofar as a continuing dialogue, I would like to . . .

MR. SPEAKER: Order please. I don't believe that this is the forum where we're going to have an explanation of the weekend speech. I believe questions should be asked and they should be answered curtly and right to the point. If the Honourable Minister wishes to make a statement, we can revert to the statement period.

MR. PAWLEY: Mr. Speaker, if I could, the Member for Assiniboia had asked what my reference was to what type of dialogue, and I simply wanted to indicate to him specifically the dialogue that my reference was to. My reference is to the continuing dialogue that occurs between myself, as Minister of Municipal Affairs, and representatives of the Urban Association Union of Manitoba Municipalities, through regular advisory committee meetings, to which regular advisory committee meetings the Minister of Education and others are from time to time invited to participate.

MR. PATRICK: My last supplementary, Mr. Speaker. The resolution that was presented to the Minister, did the Minister adopt any part of it or . . . ? In respect to municipal financing.

MR. PAWLEY: Mr. Speaker, there's been no resolution presented to me yet.

MR. SPEAKER: The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): Thanks, Mr. Speaker. My question is for the First Minister. Is the Minister considering bringing in a bill that would bring about amendments to the Mineral Acreage Tax Act?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: No, Mr. Speaker, I don't. There is no such legislation coming forward.

MR. SPEAKER: Orders of the Day. Before the House Leader gives us direction, let me ask for the co-operation of all the members to take two minutes out of their busy schedule and get their photographs taken this afternoon so that we'll have a composite picture later on of the

ORAL QUESTIONS

(MR. SPEAKER cont'd) Thirtieth Legislature. The Honourable House Leader.

MR. GREEN: Yes, Mr. Speaker. Would you please proceed to call Bill No. 18, Mr. Speaker.

ORDERS OF THE DAY - GOVERNMENT BILLSBILL 18 - AN ACT TO AUTHORIZE THE EXPENDITURE
OF MONEYS FOR CAPITAL PURPOSES

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

MR. G. JOHNSTON (Portage la Prairie): Mr. Speaker, I adjourned this for the Member for Fort Rouge.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Mr. Speaker, coming to bear on this particular bill, I had the opportunity on Friday to listen to the remarks made by other members on both sides of this House, and the debate seemed to centre on a question which had been looked at in many ways and in many different perspectives, and that is the question of the role of government in its intervention into the economy of this province, and as I listened to those remarks being passed back and forth, it reminded me a little bit of the old anecdote about the young man who married a woman who had been married many times before and had had a great deal of experience with different kinds of husbands, and as the young man approached the time when he was to enter into the boudoir for the first evening's nuptials the woman looked up at him and said, "What's new?" And I think that that was basically the question, that if someone was looking or listening to that debate they would ask the question, "What's new?" How often have we heard this kind of discussion and debate before about the role and activity of government intervention. It seemed that we were kind of beginning probably to become very repetitious and redundant in terms of that debate that has been bandied about many times, and, I would suggest, probably to the both annoyance and perhaps increasing indifference of a lot of private citizens, who have really begun to feel that this has become a debate of increasing irrelevance in terms of the major dislocations and disruptions that were taking place in our provincial economy as a result of conditions that in many cases were beyond our control, but often many of the economic situations that were very much provincially originated and provincially determined, and it seemed that that kind of debate about the government involvement no longer seemed to make that much more sense because it didn't come back to the question of answering the problem of what do you do to fix the economy.

I would like to say, Mr. Speaker, that I was somewhat surprised to notice that the Leader of the Opposition came in here dewy-eyed and innocent-looking as if he had for the first time discovered that somehow government's use of economic power could be used for political purposes, and the imagined shock and horror that he expressed the fact that the present government had used certain acts of intervention in previous cases to influence a . . . outcome, struck him with great amazement. And I found that a little surprising, considering that the use of public moneys for election purposes by different governments of different stripes and different philosophies is certainly not something that has been uniquely restricted to the present government but something that certainly has a long - I was going to say almost honourable tradition - but at least a long tradition in this country and, I suppose, in most democratic countries. And I would think certainly the experience I recall as just a young sort of observer and somewhat participant in politics in 1966 - and I can recall at that time the Conservative Government of Mr. Roblin reeling on the ropes from the attacks by the Opposition that nothing was being done for economic development, that the economic situation was dire, and all of a sudden, lo and behold, as if by magic the heavens opened, and we had that magnificent creature called the Forestry Development up at The Pas to contend with. And all of a sudden this was going to save the bacon for Manitoba's taxpayers, and we all rejoiced, and unfortunately those of us on the Liberal side who were then about prepared to take over the government, felt that certainly by acts of kind faith the existing government at that time had acquired a great deal of capital that it was prepared to invest, one would say somewhat precipitously, because of the impending elections. And I think that hindsight would only show to us, Mr. Speaker, that that use of public money for election purposes in 1966 led to a great deal of grief and sorrow in this province ever since, because, as we all know, and it's been repeated many times, the cost to

BILL 18

(MR. AXWORTHY cont'd) . . . every single man, woman and child in this province will for a good long time to come probably be in the order of \$100.00 a year, which is a pretty heavy burden to bear. Therefore, I found the Leader of the Opposition's expression of anguish over this diabolic scheme by the government to all of a sudden use its capital resources for political purposes to be a little bit sort of forgetful in terms of the past history.

I also felt, Mr. Speaker, that in terms of the debate we've been trying to engender in this House for the past two or three months, that the kind of approach being used of questioning and complaining about the nature of government intervention, again didn't really strike to the mark. Because I think the fundamental question that we have been asking, and should continue to ask, is how do we use the capital resources that we are being asked to approve, as a means of improving the economic well-being and welfare of this province? And whether it includes government intervention or not may not be as critical as to whether it works well. Is it effective? Is it the kind of investment, is it the kind of use of capital, that will provide for an off-setting impact upon the ravages of inflation? Will it provide for the development of an infrastructure and a set of facilities and services in the province that will undergird our economic system? Will it provide for basic social and educational requirements for future generations and for present generations? Those seem to be the issues. Because I think one of the maybe happy attributes of this country is that all parties at all times have, one way or the other, undertaken different acts of intervention; that the history of this country and of this province is full of Crown corporations that have been set up with public money to own and operate different kinds of enterprises, sometimes for reasons because private industry couldn't fulfill the role, other times for fits of absence of mind; in other cases simply because there were services that had to be provided. And I think at those times, whether it was a Liberal or a Conservative or NDP government, the whole question of applying oneself to the use of public capital to either own or provide major subsidy or support for different economic and social activities through the public sector is not something that has been so foreign to our culture or so foreign to our understanding that it hasn't been a part of every activity.

But it does come back to the question: what for? How well does it work? And I think that that, Mr. Speaker, has been the brunt of our criticism from this particular group, that we may be prepared at times to look at the question of government intervention in a fairly positive way as long as we're convinced that it would work, that it would have some positive outcome, that it would achieve something. But to watch the continual exploitation of capital for purposes that seem purely to be whimsical will-o'-the-wisps created by some fit of mind that we have yet to understand, seems to be one of the major issues.

It seems to me, Mr. Speaker, when I listen to the Leader of the Opposition say he has a solution and that solution is to provide a management audit, it strikes me that what he's really saying, "Let's put a speedometer on a runaway truck so we'll know how fast it's out of control." So you have a management audit. Big deal. What does it really tell you other than the fact that we're putting a vast amount of money into things like the Manitoba Development Corporation, which are really going nowhere other than out of control, that they simply have become almost kind of like the sorcerer's apprentice, that once he got the silly thing going it's almost impossible to stop, and it just keeps building up speed and using more resources to the point where it becomes the dominant theme of economic activity and, as I pointed out previously, dominant to the sacrifice of many other kinds of things that should be done? To use the economist's phrase, we lose the opportunity costs of that money. That 30, 40, 50 million dollars that we're sinking into MDC continually is money that can't be spent for other things which may have a far more important purpose and a far more worthwhile end to them than the kind of expenditure that we are now being asked to approve.

It seems to me, Mr. Speaker, we have tried to say that in this one area at least, in the area of the Manitoba Development Corporation, that the experience up to this time should have taught us some basic lessons about what kind of government investment is useful to undertake. The first lesson that should have been learned is that the kind of gargantuan, large ceremonial type things, the big projects, the massive CFIs or Saunders Aircrafts, the thing that can make the big strike, that gets the big headlines, is a waste of money. It reminds me, Mr. Speaker, of the, you know, the kind of policy that we used to see undertaken in newly-developed African countries, where when Nkrumah or Gemoto or something would come in, the first thing they had to do was get their own airline, or get their own hydro-electric project, or get their own

BILL 18

(MR. AXWORTHY cont'd) sort of massive capital works, in order to show that they are doing something. It seems to me, Mr. Speaker, that we're still in provincial governments across this country subject to that same fallacy, that we want the big deal, we want the big strike, we want to really show that somehow, by one stroke of wisdom and insight, that the Provincial Government will solve the economic woes of provinces. And yet as they go from province to province to province we find, whether it's heavy water plants or aircraft industries or forestry plants, that massive expenditure of money sort of undertaken under some form of public auspices, comes up a cropper; it just doesn't work, and that the results related to the dollars are very minimal.

Mr. Speaker, we have heard from members of the other side, who got very upset a week or so ago when they brought this to their attention, saying, "Ah, but look what we've done for Gimli," and, "We saved Gimli. We brought the salvation of Gimli," and the members from the other side kept saying, "Look what we've done." We simply said, well, first, it was the NDP that asked the Federal Government to close the air bases in the first place; and secondly, if you look what it's really done, who has it really helped? How many fishermen in Gimli are working in Saunders Aircraft plant? I would daresay not very many.

The question is, then, what kind of investment would work? If we don't go for that big stroke, the kind of . . . sort of public edifice that we try to develop, there is in the Manitoba Development Corporation Report some evidence that there are things that can be very worthwhile and can be extremely important in terms of an investment policy by a provincial government. Because if you look at that MDC report, the one thing that seems to work is when they put small amounts of money into small businesses which are locally grown, locally matured, and locally complemented, particularly those which have some innovative capacity based upon research items coming out of our universities or out of different kinds of initiatives being taken locally. And if you're looking at cost value, the benefits of the dollar, and you look at the MDC report, you find out that the best investment that this MDC has made in the past is the \$50,000 to get a small plant going of 15 or 20 people. That's where it seems to work, Mr. Speaker. That seems to be where the kind of investment procedure is one where a provincial government through an investment function can have a real service, can achieve something of significance. And yet if you start adding up all those small ones, they're going to add up to a big CFI eventually, with far less the dollars being spent, far less the kind of waste and stupidity and kind of avarice that seems to creep into those big projects. And that's why, Mr. Speaker, we have said that if we are going to be asked to support capital investment by a provincial government, then let's make it the right kind of investment, let's make an investment that will work, that will nurture and instill a sense of competence in certain areas.

I would simply point out in further argument, Mr. Speaker, that in this case in particular, if you look at the history of those forms of public investment procedures that have worked elsewhere, again they are investment banks or investment institutions which take on a special kind of competence or a special area of specialty.

I think, for example, Mr. Speaker, of the American City Bank in Boston, which in the late 1950s undertook specialized investment in electronics because they recognized that around the City of Boston there was a number of very good universities with good research facilities, and they went out and they developed their own scientific and technological competence in those areas so that the competence of the fiscal side matched the competence of the technical side, and they provided for a major kind of financial undergirding for investment.

That's what we're asking for here, because we see that in the Province of Manitoba where we have certain kinds of areas of natural investment such as in food processing and so on, this is where we could be investing money. This is where we could be putting our money in. Things like Morden Foods seem to indicate that there is some basis for that kind of direction, the small specialized ones where we have a competence in Manitoba, that we can manage. And that's why we have promoted that kind of direction for MDC and say that if it recognizes its limitations and recognizes what it should be doing, then we might start getting somewhere rather than the kind of gargantuan things that we find ourselves continually getting into.

So we have talked about that kind of development as being one of the priorities that we would agree with if it was being promoted. But what we're afraid of, Mr. Speaker, is that's not going to be the case; that we're going to keep sort of putting the money into things like Saunders, and if some other sort of smart deal comes along, some other way to kind of make

BILL 18

(MR. AXWORTHY cont'd) a big strike to get rich quick, then we'll be there sort of with our dollars ready to hand out, and so if a guy who's a book publisher from Vancouver comes and says, "Boy, I can put Winnipeg on the map to publish books," Whoopee! And every-one sort of . . . they run in the Cabinet room and they hold hands and run around the table and say, "Gee, we've done it again fellows," and off we go and we've put a couple of million into that, well, if that's the kind of mess that we're into, we can't go along with that. It just doesn't make any sense.

We also would like to see, Mr. Speaker, when we're talking about investment procedures, we think again the capital that could be invested should and could be much better used if it wasn't in direct fiscal investments but in fact is going into things which provide, if you like, the climate which encourages investment. I think for example - I was reading in this weekend's paper - the speech given by Dr. Downey when he was receiving the Royal Bank of Canada award. He said that one of the most important investments that any society can make is in its area of research, that one of the areas where it can provide the best kind of social and economic wherewithal is to make sure that it's developing these areas. Well, if you look at the record of this government in its present estimates, it's cutting back in these areas. It's holding the line and then saying, "Well, research you know. That sounds kind of esoteric and abstract, for goodness' sake." Then if you have someone like Dr. Downey and the kind of research he was doing, which provided a revolution in the grain trade of Western Canada in terms of the development of rapeseed, which provides a whole new industry and a whole new economy, that's where you're getting your money's worth.--(Interjection)--Yeah, that's right. It took the Royal Bank to recognize that.

We're prepared to put money into that kind of research, but this kind of government isn't. That's where we should be putting the dollars, into that kind of investment to get that kind of economic productivity and economic production. But there is a direct connection between the two. But instead, Oh, there we are up at Gimli, boys, sort of building those air-planes. And the kind of money that we would put into one airplane, putting it into investigation and research and developing and in the food areas and agricultural areas, would be far more productive and far more useful than anything that we're providing for this kind of approach we're presently using. And that's what we've been trying to say: Use your capital well and use it wisely.

Mr. Speaker, it comes back, you know, to one point, about this question of government intervention. I've heard members of the Conservative Party continually say that this government is rampant socialist. On the other hand they say, no, they're just being social democrats or good guys or something. It seems to me one of the few kinds of lessons that any modern government should have had is that what it first requires, before it starts buying up things, is some plan as to where it wants to go. The one thing we totally lack in the Province of Manitoba is any form of planning, and it seems somewhat paradoxical that a government that calls itself socialist would naturally have an inclination to begin to provide some, at least, form of planning. Now, there are varieties of planning approaches and techniques. There is a highly centralized kind that is used in eastern European countries, which I think has again proven to be much of a failure and hasn't worked, but there is a kind of planning which economists call indicative planning, or whatever name you want to give to it, which simply says we sit down with people in the private sector, industrialists, universities, researchers, different forms of government, and we work out plans for sectors. We set some form of allocation of how much resources we're going to put into housing, and how much in agriculture, and how much into streets and services, and how much we're going to invest in hospitals and roads, that's done according to some estimate of an allocation that we've got limited amounts of money and we must put them where it'll do the most good. And they go back continually and check with them.

If you look at the successful European countries, the ones that have been best able to beat the problems of inflationary recession that we're facing, a country like West Germany - that's exactly what it does, Mr. Speaker. That's exactly what it does. It provides a form of planning for capital resources and for investment and for economic management based upon sort of agreed upon guidelines and goals and objectives of the different sectors of economy, of labour and business and others, and it sets up institutions to achieve it, they get the proper information so that the private sector and the labour sector and the government sector knows

BILL 18

(MR. AXWORTHY cont'd) what it's working with, and it is able to provide its kind of investment plans based upon decent and respectful information.

Mr. Speaker, it strikes me as exceedingly strange that a government which should have been aware of those kinds of techniques, which has sent certainly enough of its officials over to Europe to look at different aspects of their activity, hasn't attempted in any way, shape or form, as much as we can see, to do the same thing in this province. Now I recognize full well, Mr. Speaker, that obviously a large part of the economic well-being of this province is dependent upon what happens outside, that we have pointed out many times before that there are things which are within the kin and scope of provincial activity which are susceptible to provincial initiatives, which can be managed, which can be directed by provincial governments, and we have shown the areas, and we've used areas - for example, housing would be a prime example - and yet when we look at the kind of planning going in that area, there isn't any planning. There is none whatsoever. There is some vague indication of what MHRC is going to do to put money into public housing, but as I've pointed out in this House many times before, it has taken a year and a half for this government to sit down with private builders to even talk about the housing market.

So, Mr. Speaker, when I'm talking about capital investment, I would welcome government intervention in the housing field. It's long overdue. It's been long neglected, because we are reaching the kinds of problems, which I've spoken on many times before, and there isn't any intervention in that area. They are playing an isolated game nigh unto themselves. There is no planning going on in that kind of area, and that's why the provinces are suffering in that area, because there hasn't been any attempt to bring the different bodies together, to bring some kind of assessment of what should be done in terms of how to use resources and combine them in some balanced complementary way so that there is some control of it.

And that is why, Mr. Speaker, that one of the proposals we have made time and again is not to establish something like a management out of it, to put a speedometer on the runaway truck, but we have talked, for example, in our budget presentation, to talk about setting up a Wages, Prices and Productivity Board, which could in part become one of the vehicles for that sort of planning; that would begin to develop information on the different economic sectors of the province; provide the proper data as to what's going on; provide the kind of indications as to where investments should be made, which would identify blockages in the provincial economy; areas where the supply is not keeping up with the demand, where there is a reduction in productivity rate; where there is a shortage of labour. Identify those areas, sort of publicize them, make them known, and then try to work out solutions in company with the different sectors of the economy. And we're sort of saying that would give us some basis to begin planning in this province in a much more effective and useful kind of way.

So our approach, Mr. Speaker, is quite different from that taken by the Leader of the Opposition. I think that he is really playing with tinkertoy kind of answers to the economy: if we only put another little piece in the machinery it'll all come all right. I think our case is much more fundamental than that, Mr. Speaker; that is we're simply saying that the efforts and activities of government intervention that this government undertakes are unplanned, ad hoc kinds of whimsical sorts of things, which are based upon some curious divine ordinance which only they are privy to, which doesn't seem to have any kind of rationality to it or any kind of comprehension to it. It's simply saying that if the Minister who's in charge of MDC - or perhaps I should use the example of the Minister of Industry and Commerce - meets a guy who he thinks can establish a book publishing firm, he comes back and says, "Let's invest in book publishing," and off we go into book publishing. And someone else meets someone else and says, "Boy, I can get you an aircraft industry going." Well, off we go into an aircraft industry. And we're always into these sort of culs-de-sac, into these kind of blind alleys, and the problem is, once we get into them the natural inclination of any government which is trying to protect its hide is to keep putting money into it so the thing won't go flopperoo.

We've used the analogy here of the poker game. Well, in my limited experience in playing poker, it's much more extensive in the area of cribbage, but one thing you'd notice about poker players is, once they start losing, Mr. Speaker, they hate to give up, and they start mortgaging the family farm in order to stay in the game, and that all the chattels go into the . . . because that's the only way that they hope that somehow or other it's going to turn around. Boy, if they can only make that big strike! And that's what we're into now. We keep

BILL 18

(MR. AXWORTHY cont'd) putting money into the pot in the hope that all of a sudden a big bundle will return. And that's the basic problem of that kind of government intervention, because it isn't based upon any basic plan as to where we want to go. It is a form of ad hocery and a dangerous form of it. As a result, we get into things like the CFI thing, and that's the big strike too. My colleague the Member for Assiniboia pointed out to me, Mr. Speaker, for example, that we have heard here about how the Manitoba Forestry Industries is now going to be one of the big producers, it is going to create all this kind of economic goodwill and money for the province. Well, as he has pointed out to me, if you look at a new pulp and paper plant which has about twice the volume as the one at the CFI it was built for \$50 million. That's \$150 million that ours is going to cost. Now, if anyone can say that's a good economic deal, then again, somehow or other we're taking different courses in mathematics. Because it's no good economic deal. It's a stupid, foolish economic deal, totally and completely determined by political sort of inclination, and as a result of that, Mr. Speaker, this generation and future generations are going to be paying a very heavy price for it. And are paying a price right now, and the prices can be seen in all the kind of finagling we have to go through to bring in new Acts, change the financing on MDC in order to get our necks out from under the axe continually. And I suppose, you know, once you've made a horrendous deal, I suppose you have to live with it. But the question is, now we have to live with it, but let's recognize what caused it. Let's recognize how we got into it, Mr. Speaker. We got into it, not because we didn't have management on it, but because there was that basic sort of inclination, that kind of internal devil which says, boy, if we could only make the big deal and create that great complex, then all the political sort of returns will be ours. That's what prompted it in 1966, that's what's prompting it in 1975 and in 1976. And until we break out of that system, until we take that system away, where that sort of thing is vulnerable to that sort of manipulation, then, Mr. Speaker, we're going to be sort of in the same kind of boat as many other provincial governments have been, and that is that we're simply going to be putting good money after bad.

And so the question that we're charged here with, Mr. Speaker, is to say well, I've heard it raised, but what happens when something does come along which could be big and, you know, a steel plant or whatever it is, and maybe it would work. Maybe it is something we should do. Well, if that's the case, then that is something that should be brought up as a special measure through this Legislature and fully debated out. If it's that big, if we're talking about investments in the order of 25 and \$30 million, then it is big enough and important enough that it should require a special bill or a special measure of this House. And that the MDC itself should be limited and have a direct limit set on how much it gets into, and that's the way it should be operated. And in the meantime, while we're . . . it, if we are looking at ways of changing the economy around, we are talking about providing a better kind of planning for this province, so that we can begin to eliminate any of the other much more serious economic problems, and as we pointed them out here, the serious economic problems in the area of labour supply, skilled manpower, of decent and good housing so we can break through this crisis. Those are the kinds of investments we should be making, and yet we don't see much in the way of government involvement and intervention in those critical areas where in fact they should be intervening because that's where some leadership and some initiative is required.

The reason that they're not taking any initiative is because there is no plan to tell them what to do so as a result they kind of fly by the seat of their pants, we get into a crisis management, we deal with problems when they come up, and it's the old idea that you only bring the fire engine when a fire breaks out instead of doing some good prevention and anticipation of the sorts of things that you should be dealing with. And that isn't economic management, Mr. Speaker. It's not economic planning, it is simply a matter of survival from day to day sort of based upon, and in some cases it's better survival than others, some cases you get better ministers and better civil servants than you had years previously. You are simply then totalling and completely dependent upon some kind of fate and fortune, and I think that what we should be looking at is how we can begin to provide in this province a framework within which the economic livelihood of the province can be sort of developed for the future as well as for the present, so that we can begin putting into place the kind of levers of planning that we require so we can manage not just this year, but two or three years down the track.

We have pointed out again in this House, Mr. Speaker, time after time that in the area

BILL 18

(MR. AXWORTHY cont'd) of energy supply that it's not enough to be solely dependent upon the advice of hydro engineers, that we should be looking at other alternatives, other forms of investment, other ways of looking at energy alternatives, forms of conservation, and to do that we again need the kind of initiative that brings that comprehension to bear. We talked about the whole question of how do we relate to the economic development of western Canada, and all we keep hearing back from the Minister of Industry and Commerce is somehow he attended some meetings of a western co-operative group last year, and all we keep hearing is how new developments are going into British Columbia and Alberta and Saskatchewan, which, as I say, we still haven't figured out where Manitoba fitted into that kind of complex. But certainly, as we've said in this House before, that in the area of energy that the kind of billion dollar surplus being created in Alberta, now gives it economic muscle that would be able to so command and gravitate every ounce of economic activity into its own cities and into its own areas, that we have to provide some offset, some countervailing source to that. And that requires again, some degree of planning to do it, and some hard-nosed planning with them and rather than caving in as has been suggested by my friends on the right of kind of rolling over and saying, whoopee, let's go along with Alberta, we should be developing planning relations to some national complex and be putting the demands on the Federal Government and Alberta to ask how do we fit in as a part of a prairie economy; where do we sort of fit in in terms of the management and organization of that kind of thing.

So what we're talking about, Mr. Speaker, is some kind of updating of our economic, our economic wisdom if you like, our economic knowledge, our economic approach, and rather than getting into these kinds of interesting academic debates, and I use the word and underline that, because certainly what I have heard from a great number of the members who tend to provide great scorn to academia some time, but they keep saying everything's academic. Well nothing is more academic than talking about an economy that went out of style 40 or 50 years ago, and to be talking about that, somehow we're talking about sort of the grand world of free enterprise versus the grand world of socialism . . . disappear, we're not talking about an economy which is dominated by large corporations which has administered pricing in it, which has a whole range of monopoly situations, and therefore requires a different set of instruments.

Certainly one of the things we should be trying to do is to see where within our economy does the market system still work; how do we still, you know, use the invisible hand of the market to allocate resources? But the problem right now is that invisible hand seems to be all thumbs, and as a result it gets pretty wobbly in terms of what's happening. Now I think that the thing we're talking about is that there are areas of the economy which the market is without question the best way of allocating resources and determining prices. It is the best kind of cybernetic mull that you can prescribe, and the question is in many cases, how do you fit government into that? Again part of the problem is because of the lack of really serious economic thinking going on, many of the basic rules by which the private economic sphere must operate is confused. There's too much uncertainty and you know it kind of goes from one milieu to the other, not knowing where it fits. So we should be talking about the sorts of guidelines within which the private economy should be operating and say, that's it, those are the rules and live by them. But we're not going to be sort of fooling around and finagling all the time and keeping everybody in a high state of confusion because that's the worst kind of climate for investment.

But the thing that we would plead for is to provide for at least sort of up-dating of what is economic reality in this day and age. And talking about how, if there is a difference of opinion, the difference probably is really about how do we use government as a planning agent, and how do we use public resources in terms of investments into key sectors of the economy which will achieve the maximum amount of benefit for the community. Now this government appears to think that their capital should be invested into large industrial projects which it takes equity in. We're suggesting here that that is the wrong way to use capital and the best way to use it is investment in infrastructures, into roads and services and research, and other kinds of things that will provide that kind of basic sort of climate in which the economy can work, based upon an allocation of planning, allocation that sort of works out some complementary use of resource, both public and private. And that's the way we would like to see the economy of the province being developed, but . . . to get away from this kind of

BILL 18

(MR. AXWORTHY cont'd) government intervention versus government intervention, because in fact government intervention has been part of Canadian history since 1867, when we developed the CPR, and we have been doing it in all kinds of ways since then. So the thing that we're asking for, maybe it's about time we learn how to do it well, and rather than simply using government intervention and ownership, and all the rest of it, as an ad hoc response to crisis situations, or based upon some curious ideology which is also, you know, it is out of date and out of fashion, that we should be using it according to some map of where we want to see the community go.

That is the kind of thing that we think we should be discussing now at a time when there is a great deal of scorn, and I suppose even indifference, to what government can do because they know that for all the talk that goes on it will probably end up the same anyway and we'll be back in the same old ruts. We think, Mr. Speaker, it's about time we got out of those ruts and started to go off in some new directions, and that's what we've been trying to say.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Speaker, I don't intend to be more than five minutes, in fact I will probably time myself. And I would like to say while the First Minister's in his chair that I'm very pleased now to know that the members of the Liberal Party have finally come around to our way of thinking.

MEMBER: Oh, really.

MR. F. JOHNSTON: It's 1973 and 1974 and 1975 that this side of the House as the members of the Official Opposition have been saying to the government, "For heaven's sake take a look at the failures of the Fund and the capital that we had and take a look at the failures that you've had, and then take a look at the successes of the Fund and the capital and go from there." And you know, maybe I'm the type of a salesman, Mr. Speaker, that says, if I can't get through to somebody, I'll maybe get somebody that can, and if the Member from Fort Rouge is going to take our side and get through to the government, I'm only too happy to hear it.

So, Mr. Speaker, when he speaks about the priorities of government not being big business but being for health care, medical care, roads, etc., for the benefit of the people of the province instead of spending all your capital in large industries, we agree with that. We agree with that 100 percent and we've been saying it for the last three years, and I would hope that the Member from Fort Rouge who is now because of by-elections etc., finally seen the light and the way to attack the government, taking our side.

So, Mr. Speaker, I don't intend to be even the five minutes. I'm sure that what we've been saying for the past three years, and the Member for Fort Rouge has now come on our side, that we're very pleased to have him there. We're very pleased that he has taken up the case against the government putting capital into areas that we don't believe it should go into. So, Mr. Speaker, I, while the First Minister is in his chair, say to him, we are pleased that he is on our side and if we couldn't get the message through, maybe he can, but maybe the First Minister will realize that we've been saying that for the last three years.

MR. SPEAKER: The Honourable First Minister shall be closing debate. The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, the Honourable the Member for Sturgeon Creek, I think perhaps slightly misinterpreted the remarks of the Honourable Member for Fort Rouge, because I didn't sense that he was expressing a line of reasoning or a point of view that was particularly - I shouldn't have thought - acceptable by the Progressive Conservative Party. But perhaps times are causing these alignments to change or views to change, and it may be that there is something in the more current Liberal Party view that is a little more acceptable to the Conservative Party than was evident a year or two or more ago. I don't know, I'm just speculating.

But, Mr. Speaker, I believe it can be said that the area of industrial development that is being pursued by various provinces in Canada is fraught with enough dangers and risks, and I believe that we have been as prudent as is reasonably possible in the circumstances. I do not accept for a moment the assumptions of the Honourable the Member for Fort Rouge that economies of Canada, the several jurisdictions in Canada are pursuing merrily along, but somehow here in Manitoba we are not keeping pace. The fact of the matter is that - and I do not apologize for raising the matter of perspective again - but the fact is, sir, that in historical perspective the economy of Manitoba is functioning and progressing just about as favourably as it

BILL 18

(MR. SCHREYER cont'd) has in any of the best years of this province's history, certainly during my lifetime, and I venture to say at least since the turn of the century.

Now there may have been a period between 1880 and 1883 when there was a boom period at the time of the building of the CPR, but that was a bubble, sir, that lasted for two or three years, followed by a pretty obvious and cruel kind of recession. There may have been another period just about exactly at the turn of the century when the economy of Manitoba may, in percentage terms, have grown more impressively than it has in the past two or three years, but, sir, that too was a period of relatively short time. Certainly the economy of Manitoba in the 1970's, when taking into account all factors, squeezing out inflation, looking at real growth, the 1970's economic performance of the province to date has been as impressive as any of the best years in the 60s and certainly better than '61, '62 or '65, '66. So I don't know what my honourable friend, the Member for Fort Rouge is using as a basis of comparison or as a standard of measure. Certainly I mention that in historical perspective, quite prepared that he - in fact I invite him to draw a comparison in terms of the average of Canadian provinces' economic growth and development, and we do not feel in any way deficient by that measure as well. As a matter of fact I personally have the view - I'm not going to take time now to sell the point of view - but I happen to believe it personally very much, that in relation to most of the years of the 60s the 1970's economic activity in the province is much more favourable. There were years of the 60's which could only be termed as years of - certain years were years of economic stagnation. And one only need look at the economic indices of DBS to see that at least four of the years of the 1960's were stagnant years in terms of economic growth.

But I understand my honourable friend is not an advocate, as many of the trend setters in our political style these days are, apparently not impressed with economic growth, and so I'm not sure whether he is in fact advocating that we should be following more stimulating economic growth, stimulating policies than we are or not. He likes to mention two or three problem areas we are having in terms of industrial development, and I can only say that it sounds very strange coming from a Grit. I say that because any superficial, cursory analysis, one even needn't take much time at it, one can come up with many many examples where Grit governments of Canada have dropped, instead of tens of millions, accumulating totals far in excess of hundreds of millions of dollars in one ill-conceived venture after another. And I can only point out to him for example, that on a little thing like the Bobcat, they wasted \$15 million; on the overhauling of the HMCS Bonaventure, \$45 million to some Quebec shipyard, the purpose of which still remains cloudy and unclear ten years later. And those are only two examples, there are many others.

A MEMBER: The Bonaventure.

MR. SCHREYER: The Bonaventure. I just mentioned it, yes. I don't know what my honourable friend's particular point was in raising the two or three problem areas, but he dwelt on them, and so I am quite tempted to take some occasion in this House to run a compendium of Federal Liberal Government ventures of one kind or another that came to absolutely nothing, and in which literally without exaggeration accumulated amounts well in excess of \$100 million, well beyond that, were involved.

And if he wants to leave the federal jurisdiction, he doesn't particularly like referring to federal jurisdiction, I can take him on a guided tour so to speak, right here in this Chamber, of efforts in industrial development under Liberal administrations in Newfoundland and in New Brunswick in a chemical industry there that took \$20 million of New Brunswick public funds under a Liberal administration and which are in process of being wound up. And I understand that there was some local entrepreneur from this province involved with the Provincial Liberal administration in New Brunswick. So one can always speculate as to whether or not the full facts were at hand when a particular industrial venture was entered into. But of course, Mr. Speaker, they never are. The whole nature of industrial development, by definition, there is always something less than the full possible array of facts in the possession of those who have to do the decision-making. Were it something other than that there would be no particular challenge or responsibility or risk, nor would there be any reason for some people to keep on second-guessing others.

Nevertheless I don't comment on that with any bitterness at all. I am just saying that obviously my honourable friend wants to have his fun and that is a game in which all of us can reciprocate, merely using the examples. And I notice an article here, about \$30 million

BILL 18

(MR. SCHREYER cont'd) granted by the Federal Government to Microsystems International, and I notice that that is going down the drain, like in one fell swoop.

But, sir, the point that I really want to come to is something probably meant only incidentally in passing by my honourable friend, the Member for Fort Rouge, and that is his implied criticism that Manitoba was getting nothing in the way of industrial development, while Saskatchewan, Alberta and British Columbia were finding industrial development projects of one kind or another with which to proceed. I want to say as plainly as I can, that Manitoba, as far as my colleagues and I are concerned, we do not begrudge whatever extent of industrial development with federal assistance that's taking place in Saskatchewan, Alberta and British Columbia. As a matter of fact, each of those three provinces in turn, probably feel as he does, that they are somehow being short-changed. I know that certainly Saskatchewan currently has been making the argument - and when I say currently, I mean for the last year, since the oil pricing conference - that why is oil being picked on and what about all these other factors that work in our Canadian economy which militate against Saskatchewan and prairies in general. British Columbia, I know for a fact the present administration of British Columbia feels that that province is under-industrialized and therefore excessively dependent on natural resource extraction, or natural resource production, and they are trying to set that into a better degree of balance. I don't want to comment as to whether our view is that the other three provinces are getting greater or lesser degrees of favour or co-operation from the federal agencies, because I believe that the four western provinces ought not to begrudge each other whatever extent of industrial growth is taking place, because I think we commiserate with each other that all four western provinces are relatively under-industrialized compared to the east. So what's the point of my honourable friend trying to generate some kind of bickering between the four western provinces. I don't believe that there is where the greater problem lies. My honourable friend wishes me to be blunt. I will be. I believe that there is a problem of imbalance in industrial development in Canada, but it is not between or among the four western provinces. That is not where the problem lies at all. It lies as between the extent of forced industrialization and federal grants going into industry in Eastern Canada, and I suppose that that is one area where the Liberal Party is, for whatever reason, trying to create some mischief. Trying to imply that of the four western provinces, one is getting a better break than the other, and that's not the issue at all. That's not the reality. That's not the fact. But the fact in Canadian confederation is that for too long, and as much today as ever, there is an excessive Federal Government preoccupation with industrial formation in Eastern Canada, aided and abetted by major federal pouring in of funds.

Hundreds of millions into civil aviation, all in eastern Canada, so to speak, virtually all. We're trying to mount a study here in Winnipeg for example about a redesign of the airport, very difficult to get the federal response. At the same time, an addition to the Dorval Airport, which is a huge and expensive airport, there is something in the order of seven, mark this, \$700 million of Federal funds going into a new international prestige airport at Ste. Scholastique, 50 miles north of Montreal. \$700 million, sir. And at the same time, an equally expensive undertaking at Pickering on the east end of Toronto to match Malton, the main airport on the west end. And while at the same time as that, the Federal Government has poured millions into buying out the previous owners of DeHavilland and is dickering for the purchase of Canadair from General Dynamics Corporation of St. Louis, Missouri, and will spend hundreds of millions in those two civil aviation firms and copper refining, four copper refineries in all of Canada, and where are they? They're all within about a hundred, a hundred and fifty mile radius of Montreal.

So let my honourable friend not try to sow seeds of dissent as between the four western provinces because I don't feel that any one of the four western provinces is getting any better a break from the Government of Canada than the other one. The problem is not there, but rather the chronic, and worse than ever imbalance in federal policies insofar as eastern and western Canadian balance, economic industrial development is concerned. We are only making as minor responses as we feel prudent in the circumstance but our employment record here is quite good.

If we feel that we must put more stimulus into the economy, we have various plans, some of which we have already articulated, some of which we have not. So my honourable friend need not feel that we have no planning process at work. I suppose it's the old saw, we

BILL 18

(MR. SCHREYER cont'd) have a planning process, but he just doesn't like the plans, and so he says there is none. That, sir, is a criticism as old as practically as this century.

QUESTION put, MOTION carried.

MR. SPEAKER: The Honourable House Leader. The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, if you're calling on the House Leader, I believe the House Leader merely wishes to proceed this bill to the next stage. So accordingly I move seconded by the Minister of Health, that you, sir, do now leave the Chair and the House resolve itself into Committee of the Whole to consider Bill 18.

MOTION presented and carried and the House resolved itself into Committee to consider Bill 18 with the Honourable Member for Logan in the Chair.

COMMITTEE OF THE WHOLE - BILL 18

MR. CHAIRMAN: Bill before the House is Bill 18, an Act to authorize the expenditures of moneys for capital purposes and authorize the borrowing of same.

(Bill No. 18 was read and passed.)

Committee rise, call in the Speaker.

Mr. Speaker, the Committee of the Whole has considered Bill No. 18 without any amendments and directed me to report the same, and asks leave to sit again.

IN SESSION

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

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

MOTION presented and carried.

THIRD READING - BILL No. 18

BILL No. 18 was read a third time and passed.

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TABLING OF REPORTS

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, I wonder if we could go back to the filing of reports because I did promise the honourable members I would file a report. I had it here but I didn't file it.

MR. SPEAKER: Agreed?

MR. GREEN: I have the report of Manitoba Resources Limited, Annual Report for the year ended September 30, 1974. It's for the committee tomorrow.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Yes, Mr. Speaker, I wonder if you would now proceed with Bills No. 42 and 43.

BILL NO. 42 - CHILD WELFARE ACT (2) AMENDMENT

MR. SPEAKER: Second reading, Bill No. 42. The Honourable Minister of Health.

HON. L. DESJARDINS (St. Boniface) presented Bill No. 42, an Act to amend the Child Welfare Act (2) for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister of Health.

MR. DESJARDINS: Well, Mr. Speaker, if you will notice this is an Act to amend the Child Welfare Act No. 2. This is something that is strictly housekeeping. There's been discussion with the staff of the department and the placing agencies, and as you know the Child Welfare Act was passed last year and there was some areas that we needed better understanding and this is all that this bill is.

MR. SPEAKER: The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON (Gladstone): Mr. Speaker, I beg to move, seconded by the Honourable Member for Minnedosa, that debate be adjourned.

MOTION presented and carried.

BILL NO. 43 - HEALTH SERVICES INSURANCE ACT AMENDMENT

MR. SPEAKER: The Honourable Minister of Health, Bill No. 43.

HON. LAURENT L. DESJARDINS (St. Boniface) presented Bill No. 43, an Act to amend The Health Services Insurance Act, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister of Health.

MR. DESJARDINS: Mr. Speaker, in this bill we are introducing a number of amendments to the Health Services Insurance Act which will update, we feel, the current legislation. There is a definition of personal care homes that will expand to include the owner. This is something that should have been done when the Personal Care Home came under the universal coverage and this wasn't done.

There's also more flexibility in the make-up of the membership of the Commission where in the past it was composed of nine members, now it will be a minimum of five members, and that there's no limit. This is just to give us a bit of flexibility.

The powers of the Commission respecting planning, organizing and developing throughout the province of a balanced and integrated system of hospitals and related health facilities will be amended to read, "subject to the approval of the Minister." Since the Commission does not generate any income of its own, but rather receives all funding either from the Provincial Consolidated Fund, or from the Federal Government through cost-sharing arrangements, and considering that the Commission goes through the same estimate procedure as the Department of Health and Social Development, the government believes that the Commission should be tied closely to the government in these matters. I think this is something that has been discussed before. I think that all governments now, not only in Manitoba, certainly wish to take part in the formulating of their own policies, and the government policies, and so on, will be determined by the government, and this is why we need this amendment, sir.

Also all surveys, research and public education programs would be subject to the approval of the Minister, and this is for the same reason.

They also allow the surpluses to be retained by hospital and Personal Care Homes. I think that this wasn't possible in the past. Now any surpluses up to two percent of the approved operating costs - that's the maximum surplus - could be retained by the hospital. I think that this will give them a little bit of encouragement to maybe manage their affairs a little better, and this is permissive of course.

BILL 43

(MR. DESJARDINS cont'd) . . .

There is a new section in the Health Services Insurance Act, in this case, that any hospital and Personal Care Home that has received payments under the Health Services Insurance Act shall not dispose of any real property without the consent of the Minister. This section is consistent with similar sections under the Health Services Act pertaining to the disposal of property owned by district hospital boards.

I think that I've covered pretty well all the amendments.

MR. SPEAKER: The Honourable Member for Gladstone.

MR. FERGUSON: Mr. Speaker, I move, seconded by the Honourable Member for Morris, that debate be adjourned.

MOTION presented and carried.

BILL NO. 16 - METALLIC MINERALS ROYALTY ACT

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Yes, Mr. Speaker, Bill No. 16 please.

MR. SPEAKER: The proposed motion of the Honourable Minister of Mines, the Honourable Member for Birtle-Russell.

MR. GRAHAM: Thank you, Mr. Speaker. At the time that I took the adjournment on this the Minister of Mines indicated that he would be somewhat reluctant to accept any further adjournments on it, and consequently I was prepared to speak the following day. But it has been several days since that occurred, and there have been one or two things that have also occurred at the same time, and those things I think have been of probably considerable interest, both to the Minister of Mines and also to the people of Manitoba, in general. I think it bears making reference to at this particular time. I thought I had the newspaper clipping before me but I don't seem to have it at the present time, where the - I believe it was a Mr. Bloy who was speaking, just about the time when the Minister indicated that he would not encourage any further adjournments on this bill, who indicated that this bill may, in his opinion anyway, be even worse than Bill 82 of the previous session. At that time the Minister used his powers as the House Leader to - he had the right and he should have the right too, to call any bill he wants to at any particular time. So it has been several days since that time, and I'm just wondering if in the meantime since the last time this bill was in front of the House, whether or not the Minister has been in consultation with the members of the mining community regarding the impact that the mechanics of this bill may have on the industry.

Sir, I don't believe that I am capable; I don't believe that there are too many members of this Chamber who are capable of fully understanding the ramifications of some of the arithmetic that is involved. I think that is fairly well accepted by Members of the Chamber. We realize that it's a fairly complicated bill and it will require a lot of experts, both in the Department of Mines and Natural Resources and in the Department of Finance and in the mining industry to fully appreciate some of the ramifications that are inherent in some of the formulae that are incorporated in the bill. But at the same time, sir, while we may not understand that now we hope that when the bill does go to Committee that that expertise will be available to all members of the Chamber, both sides of the House, so that we can get the opinions of those that are involved when the bill does become law.

At the same time it does not preclude some debate occurring in the Chamber regarding some of the principles involved.

Sir, at this time I would like to deal with one of the aspects that is inherent in this bill, and that is mainly the problem of the discretionary powers that will be incorporated in the bill and the effect that it might have on the people of Manitoba and the mining industry et al.

Sir, in the past few days, past week or so, there have been other members on this side of the House who have stated their individual concerns about whether this bill really lives up to the stated objectives which the Minister and the government have outlined when presentation was made. And I would like to quote from the Mining Association brief of April 30th where the policy objectives of this bill were stated as follows:

(1) That the government aims to realize approximately the same amount of money through this bill as from existing legislation.

MR. GREEN: That's what they said not what we said. That's what they said.

MR. GRAHAM: Well the Minister says that's what they said. And I believe that the

BILL 16

(MR. GRAHAM cont'd) . . . Minister tried very skillfully to leave that impression with people.

MR. GREEN: I said we will make more money.

MR. GRAHAM: In the debate, if that is true then the question is, not whether the mining industry is not paying its fair share or not but rather over the mechanism whereby the revenue is raised. If concerns over this bill are expressed, then they do not really need to relate to the level of revenues being related, or being raised, but rather to the mechanism by which they are raised.

(2) The government intends to specify basic profit levels in such a way that it is fairly certain that reasonable returns on investment capital will be protected. We note that the industry is not asking for a guarantee of a rate of return on investment, as might be characteristic of a public utility such as Hydro or Greater Winnipeg Gas, or others of that nature.

(3) The government intends that the basic profit levels will face royalty levels basically unchanged from those prevailing under legislation prior to the last session.

Now the Member for Brandon West, I believe, who was the previous speaker, already discussed how through the removal of the processing allowance the majority of mining companies in the province will face rates which are significantly higher than those that existed previously.

(4) Finally the government intends that the new incremental royalty taxes will be applied only against economic rents, or profits over and above the basic profit levels.

And, sir, when we talk that way we must then be concerned with the key element here which is the determination of the investment base from which the profit base at 18 percent is calculated.

Now, I'm sure, sir, that all members of the House are aware of how complex this bill is in terms of legislation and proposed application. Clearly its complexity has prevented most members on the government side, other than the Minister himself - and here, sir, I'm not even too sure if the Premier or the Member for St. Johns, the former Minister of Finance, are clearly aware of the full implications of this bill. The failure of members of the government benches to debate 16 is I think fairly significant proof that this bill needs to be subject to a thorough technical review in a committee, which I suggest, sir, should be open to the public so that all members on all sides of the House will have an opportunity to have available to them the full gamut of technical advice. Advice from the Department of Finance, advice from the Department of Mines and Natural Resources, and also advice from the mining industry.

This bill, sir, is not being debated so much on its objective, not nearly so much as on the mechanics of how certain things are going to happen. Certain of the broader policy implications of this bill have already been raised. Potentially major shortcomings of the bill have already been identified to some extent, and within the technical competence of the members of the House these things have been discussed to some extent. However, sir, there are some shortcomings in the bill which I submit relate to the removal of the traditional processing allowance - and the Member for Brandon dealt fairly extensively with that - and the adoption of a dangerous and inadequate procedure for calculating basic profit levels. There are however other aspects of the bill which I'm sure will cause some concern, and which might possibly be ignored if members focus their attention entirely on just some of the key issues. If a theme on this issues is to be developed here, it's really, sir, on the discretionary aspects which existed in the previous bill, Bill 82 of the last session, and which have not been really removed from this present bill.

We recognize that the Minister has made a major effort to remove many of the objectional clauses that existed previously where the Lieutenant-Governor-in-Council had wide discretionary powers with respect to setting of regulations. I want to at this time commend the Minister to some extent for trying to put into the Act what previously had been conceived as being covered under regulation. And, sir, I think this is a concern that I have had, not only on this bill, but on many other aspects of legislation, and that is, that we fail sometimes to spell out clearly in the legislation many of the aspects and the important points that are later covered by regulation and which have a far more effective control and degree of importance than is ever spelt out in the legislation itself. --(Interjection)-- That's right. When I say that I think that perhaps I should to some degree commend the Minister for trying to put into the legislation, in statute form, what previously in many occasions has occurred in the regulations. I think one objective of any tax legislation, and while we realize that this is tax legislation,

BILL 16

(MR. GRAHAM cont'd)that it is termed a Royalty Bill, but I think it's fairly important that we spell out quite clearly in the legislation the rules of the game that we're going to use for playing the daily give and take that must occur from not only today but for many generations. Uncertainty, especially in tax measures, can only lead to lack of confidence, a certain sense of distrust, and certainly in many cases will lead to litigation, which is completely unnecessary if it's spelt out clearly in the first place.

However, sir, even this bill is not completely devoid of some of the discretionary powers that the Minister might bring forward, and I would hope that he would consider accepting amendments that would enhance the basic concept that we put forward in the statute, the concept of rule by the law rather than rule by the administration that brings forward the regulations.

Sir, I would like at this time to bring forward one of the first issues which to me is of some concern and that is, the subject of royalty in kind, and some of the clauses that appear in the bill dealing with that. Presumably . . .

MR. SPEAKER: Order please. Does the Honourable House Leader have a point of order?

MR. GREEN: Mr. Speaker, the honourable member indicates he's going to deal with the clauses of the bill, specifically royalty in kind. I believe we are dealing with the principle of the bill and those clauses would be dealt with in committee.

MR. SPEAKER: Correct. The point is well taken. The Honourable Member for Birtle-Russell.

MR. GRAHAM: Certainly, sir, I only refer to the fact that the term royalty in kind appears in several clauses, and I want to talk about the principle of royalty in kind. And presumably, sir, these clauses are here to protect the basic integrity of the bill as being royalty legislation rather than straight tax legislation. I say that even though the processing profits will be taxed under the proposals of this bill. The royalty in kind provision states that the government may accept royalty in kind in lieu of other payments, that the output may be sacrificed in terms of degree of processing within limits, and that the location of delivery may be specified by the government without any apparent provision for payment of transportation costs.

Precisely what objective is royalty in kind achieving in this bill? Certainly it has nothing to do with basic profit levels or related considerations. Is the government, for example, intending on getting into the business of stockpiling, and competing with existing companies for sales at some future time? Is this going to be a function of government, and if it is, are they going to use some of the government agencies which have already been set up? In drafting this legislation did the Minister take into account the nature of marketing of metals in a worldwide context? Is he aware of the existence of long-term contracts? Is he aware that specifying royalty in kind may disrupt company production schedules and jeopardize customer confidence? If that's true how would the Minister of Agriculture feel? Would he be prepared to accept such conditions in the overseas marketing of hogs, for instance, or other grains?

Sir, a second area of concern is the husbandry provisions in the bill, which again are quite unrelated to the main objectives of the bill. Here it may be argued that the wording is hopelessly vague and yet much of the burden of proof seems to lie with the operator. The penalties prescribed, fines, possible imprisonment, would suggest some devious motive on the part of operators not to practice husbandry. It's of course entirely possible that the industry and the government may legitimately disagree as to what constitutes good husbandry. There should however be a better mechanism than what is proposed for resolving such disputes. The Minister might also at some point inform the House as to what production of a mineral not in excess of transportation or marketing facilities really means, with reference to the husbandry definition.

Sir, some members of this Chamber may also have noticed some similarities between this bill and other tax legislation introduced during this session. I refer to the section of the bill on interest on debt, where the Lieutenant-Governor-in-Council may prescribe any rates on debt. Any rates that they happen to feel are justified. The operator would have seven days to pay the debt at the old prevailing rate before the new interest rate would be offered him. If this type of activity occurred in private contract it is likely that the government of the day would attack this practice as constituting old fashioned usury, or perhaps just plain

BILL 16

(MR. GRAHAM cont'd)extortion. As the test of the reasonableness of this bill, this measure as proposed hardly recommends this bill as being one of fair play. The purpose of this provision may well be to prevent the government being the sucker, or being stung with low interest rates in periods of rising interest rates. If this is the real concern, why not just do away with this discretionary clause and allow the rate to vary according to the prime interest rate that exists at the present time in industry. If there are some concerns that are more stable than others, you can even have a rate which is even higher than prime interest rate. And we know that in some industries that it's one percent higher, in some it's two percent higher. But wouldn't it be better that it be tied to the prime interest rate that exists rather than have it straight at the discretion of the Lieutenant-Governor-in-Council?

The final major area that I want to talk about is dealing, sir, with administration. And here we find that the Minister has relegated a fair degree of power to the office of the director. Sir, one of those powers includes the assessment of the returns. We on this side recognize that in any tax legislation it's not possible in all cases to cover everything effectively. We realize that. And we realize that regulations are required to enforce the Act properly. This is a principle that has been recognized in the Federal Income Tax law but there the . . . Under the Federal Act, the individual or the taxpayer has the right of appeal on the interpretation. If the Minister gives me the assurance that he has the same right of appeal here then I accept that. But what precisely does this bill provide? Just what precisely does it provide with respect to the discretionary powers of the director? There are simply too many cases where the director may conclusively deem values for purposes of calculating royalty tax income. Apparently there . . .

MR. GREEN: Would the honourable member permit a question.

MR. GRAHAM: Yes, I'll . . .

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, would the honourable member look at the existing Act, or has he looked at it, to see that the sections that he's talking about presently exist in the existing Act, passed I suppose by a Liberal or Conservative administration, and under which they have been operating for all of these years, all of which are subject to appeal.

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

MR. GRAHAM: Mr. Speaker, I would suggest to the Minister of Mines that probably this type of legislation could, and I hope would, eventually become a model for the mining industry. And if that is the case, then let's make sure that we have enshrined in it all of the possibilities - and quite frankly I don't care whether it was involved in, or what was encompassed in previous legislation. If we're going to set up something that can become an example for others to follow, let's make sure that we have everything in there that is for the best of all concerned. Sir, when we do that I think that it is only fair that we look at every possible aspect, and if we can improve it, why not? If there is something that . . . whether it exists presently or is going to exist in future legislation, and we think that it should be improved, why should we not improve it now?

Sir, when we have numerous occasions where the director may conclusively deem values for purpose of calculating royalty tax income, let us make sure then that there is the right of recourse to appeal. At the present time we're not positive that even, for instance, the office of the Ombudsman in this province would have any jurisdiction in the case of a dispute that comes up in this area. I don't think he would. No. So the only fundamental principle then that all citizens, whether they be individual or corporate, should have the right of appeal. It should be enshrined in all legislation. If we can improve the means of appeal, then I think we should look quite seriously at whatever type of appeal we want. But I'm sure the Minister, and I've heard him on numerous occasions, he has always been concerned that the right of the individual be protected, and we want to make sure that that exists in this bill, or any other bill. At the same time I would like to urge the Minister to consider the possibility of placing some time limit on the reassessment by the province of a return under the Act. We are all of course familiar with the kinds of provisions which apply to re-assessment of personal income tax returns in Canada today. Certainly there are restrictions involved in that type of legislation, and I would hope that we would have some limitations in this type of legislation as well.

Is the director, for example, able to change the investment base of a company every time that Statistics Canada sees fit to revise gross fixed capital formation indices for the

BILL 16

(MR. GRAHAM cont'd) mining and petroleum industry? How often is the director going to be able to change that base? I think, sir, that it would be advantageous to the province; I think it would be advantageous to the mining industry, if we could spell out quite clearly how much or how often the director was going to be able to do that. The way it is at the present time it's very indefinite, and I think that in bringing forward progressive legislation we should always attempt to improve and clarify it.

And finally, sir, in closing, I think it would be quite useful to note that this bill contains certain omnibus clauses which really have little relevance to the stated objectives of the bill. These omnibus clauses however suggest that certain discretionary powers will still remain with the government, if passed. That is, royalty in kind, examination of records, punitive interest and charges, etc. I think, sir, it's fairly incumbent upon the Minister to explain why these types of clauses have been included in this bill and why these discretionary powers need to be granted in this particular type of legislation.

Sir, I think that this basically - there can be much improvement made, that we can have a model of legislation which could be a copy for other provinces to follow, but when we bring forward that type of legislation let's make sure that we have covered all possible avenues, and removed all the vague grey areas and spelt it out clearly in the legislation so that, not only the members of the Legislature will understand what the intent is, but also those that are critically involved in the every day operation of the bill. I hope that the Minister will be very concerned and will listen to some of the suggestions put forward so that we can have a better bill when we go through the committee stage and it comes back to the House for Third Reading.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Thank you, Mr. Speaker, I have a few . . .

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, the honourable member has spoken on this bill. He spoke immediately on the bill, was very pleased to be able to speak immediately.

MR. SPEAKER: That's correct. The Honourable House Leader is right.

MR. GREEN: Mr. Chairman, . . .

MR. SPEAKER: The Honourable Minister of Mines wish to speak on the bill now?

MR. GREEN: Yes.

MR. SPEAKER: He shall be closing debate. The Honourable Minister.

MR. GREEN: Well, Mr. Speaker, I would move, seconded by the Honourable the Minister of Health and Social Development, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable House Leader. Order please.

MR. GREEN: That's what comes from not tolerating any further amendments, . . . this bill.

Mr. Speaker, I did, just for the benefit of the honourable members. The Minister of Health has to be called up for estimates today and I was going to finish in five minutes, but I couldn't figure out how to finish and then move into Supply and that's why I adjourned debate.

I move, Mr. Speaker, seconded by the Honourable the Minister of Health and Social Development, that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the supply to be granted to Her Majesty.

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 -
DEPARTMENT OF HEALTH AND SOCIAL DEVELOPMENT

MR. CHAIRMAN: I refer honourable members to Page 24 of their Estimate Books. We're on Item, or Resolution 57(3)(b)(2)(a). The Honourable Minister of Health.

MR. DESJARDINS: Mr. Chairman, I think there's only a couple of minutes before the Private Hour. I wonder if I could take advantage of this to answer some of the questions, and then we can start tonight.

First of all the Leader of the Opposition had asked me some idea of how our Community Operation Division worked, and I have some maps that might give him an idea, and I wonder if I could call him and have them passed on.

The first question that I have was the Leader of the Opposition wanted to know how many

SUPPLY - HEALTH

(MR. DESJARDINS cont'd) of the native people that were working in field operation. In Community Operation Field Workers covers social workers, provision officers, community health workers, child welfare workers, counselors, placement officers, etc. In the Northern Region there are 15; Interlake Region 3, they are careerist; EastMan Region 2; Winnipeg 8, six of them are careerist; for a total of 28. Most of these were hired over the past five years, and this represents approximately six percent of the total field staff, and the department is planning to hire more as they become available.

Then there was another question. How many children and adolescents who required mental health treatment were placed out of the province last year? And what was the cost last year? What was the distribution to provinces and the United States? I think that the Member for Swan River asked this information. And as of April 1st, 1974, there were 39; April 1st, 1974 to March 31st, 1975, there were 32 for a total of 71. And April 1st, 1974 to March 31st, 17 of them were discharged, so therefore the total placement now is 54. And the cost for the year April 1, 1974 to March 31, 1975 is \$588,193.07, for an average of \$10,900 per year or approximately \$900 per month. And as March 31st, the placement in Alberta, The William Roper Hall Home 3; Saskatchewan the Ranch Ehrlo 42; Ontario, Browndale 1, and in the United States the Hillside School 1; Victoria Village 1; Chaisson Institute 2; Secret Harbour Farms 1; Devereau Foundation 2; Provost Canyon School 1, for a grand total of 54.

My honourable friend from Swan River also wanted to know how many retarded from the Northern Manitoba, and he referred to the Manitoba Schools, in particular how many in the past year. In the past year, April 1, 1974 to March 31, 1975 the admission to Manitoba Schools from Parkland and the NorMan Region were: Parkland 4; NorMan 9. The present Manitoba school population for the two regions, again as at the 31st of March, 1975 was Parkland 56; NorMan 50. In addition 4 from Parkland and 1 from NorMan were referred to the Manitoba school but were placed in a community rather than being admitted. There is a community residence for mental retardates at Swan River, and workshops in Swan River, Dauphin and The Pas. In our program to extend services to the community, it is expected that some additional facilities will be placed in these regions.

MR. CHAIRMAN: Order please. The hour being 4:30, I'm interrupting the proceedings of the committee in accordance with our House Rule 19(2) for Private Members' Hour, and shall return to the Chair at 8 p.m. this evening.

PRIVATE MEMBERS' HOUR - RESOLUTION 14

MR. SPEAKER: Order please. We're on Private Members' Hour. The item before us Resolution 14, and the Honourable Minister of Health is indicated as having the debate if he wishes to proceed.

MR. DESJARDINS: It's open. I was finished. I brought in an amendment, I moved an amendment, Mr. Speaker, and it was open.

MR. SPEAKER: The question is therefore open. The Honourable Member for La Verendrye.

MR. BOB BANMAN (La Verendrye): Thank you, Mr. Speaker. I would like to add several things to the resolution and I would like to say that I agree with the amendment that has been posed by the Minister of Health.

I think one of the most frequent calls I receive is the one that I'm sure that most members of the House get, and that is the one where the husband is 67 or 68, would like to retire, but like many of us, and I have to count myself in this category, we haven't had enough foresight to marry a woman either older than we are or of the same age, and as a result the wife is four or five years younger and they find it very very difficult, or the man finds it very very difficult to retire on the one pension cheque alone.

Now I think another problem area that we are facing right now is the one where a man of pension age let's say a widower, marries a widow - and I've had several calls on this particular matter in the last little while - the widow is under 65, and very often around 60, and the future groom is over 65, and what happens then? The widow is usually on widow's allowance and receiving about \$150.00 from the Department of Health and Social Development. The man is receiving \$204.00, plus some supplements from the province, so they sit down

RESOLUTION 14

(MR. BANMAN cont'd) and they do some quick calculation and they notice that they'll be getting - if they join forces - over \$350 a month. Now what happens is they get married and two weeks later the social worker shows up and he says, "I'm sorry, we have to take away your widow's allowance because you are no longer a widow." As a result these people then are forced to live on the \$204, and yet all their planning, and all their payments, and everything with regard to rent, has been calculated for that \$350. Now I know we hear a lot about two can live as cheap as one, but I think in this day and age we find that the \$204, plus the provincial supplement, which this particular couple would get, is not adequate to supply their needs.

I would also like to cite the case of a man 65 again and his wife not receiving pension. He possibly is of good health and is willing to work. I had a case just last week where a gentleman was working for the government; he was willing to work but because of the compulsory retirement at 65 he was forced to retire, and again he is going to have difficulty making ends meet because his wife is not of the pensionable age.

I think without saying too much more, Mr. Speaker, I notice that the Federal Minister of Health just this last week indicated that the government was considering implementing a certain policy with respect to families where one person was of pensionable age and one wasn't, and I think that is one area where we have had certain inequities, and I think that many of these people should be guaranteed, if they are a married couple, "X" number of dollars so that they can make ends meet to enjoy their old age, and enjoy the things that possibly many of them have worked very hard to attain.

So with that Mr. Speaker, I thank you.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I just want to rise in support of the original resolution put forward by my colleague, the Member for Assiniboia, which was put forward I believe for a very specific reason to solve a very specific problem, and that is the fact that there are many older people in this province who, in dealing with the escalating rise and costs of, particularly food and housing, no longer are able to cope in any effective way with the kind of support they presently receive on their government programs, that it was simply a matter that the escalation of costs has gone far beyond the capacity of many people to respond. And that kind of support they now receive based upon the guaranteed supplement and the old age pension, which I now believe is a level of about \$214 a month, it just isn't sufficient.

It brings to mind, Mr. Speaker, a comment that was made last week in this House by the Minister of Consumer Affairs. When they raised with him the issue of the serious rise in housing costs, he said that he had not received any evidence to show that there was exorbitant increases, which I at the time thought had to be one of the most astounding statements for any Minister of the government to make. So I thought I would bring for him some evidence, and if he likes I could table the letters, but for the past two weeks I've had probably on average two to three phone calls, plus two or three letters, from older people primarily, living in generally older apartment blocks and homes in the city, who have been receiving their rent increases over the past month. And to give you a selection of them, Mr. Speaker, Roslyn Road \$30 a month increase; Edmonton Street \$40 a month increase; Broadway, \$45 a month increase; Carlton Street, \$35 a month increase; Stradbroke, \$45 a month increase. When you check back in terms of the income that people receive, that many of these people are now being asked to put out close to 50 or 60 percent of their total income for rent. They simply, in order to stay in their present accommodation, have no other alternative.

Now, there is supposed to be another alternative, Mr. Speaker, called Senior Citizens Public Housing. Unfortunately the supply doesn't in any way meet the demand, and I think that the Minister of Housing himself confessed to this House about a month or so ago that there is a waiting list of close to 2,500 people waiting to get in. So you now have a situation where a number of older people in the city are dealing with rent increases that represent 30, 40 percent increases this month, because this is the month when the increases come out. They are faced either with totally absorbing those rents as part of a fixed income or an income which is only increasing an incremental amount per month, or to move. And if they're going to move there is almost nowhere virtually to move, because the supply of rental apartments is less than one percent in the city right now. So they're caught, Mr. Speaker, they have nowhere to move. There's no flexibility. There is no mobility. They are simply sort of caught in the rise of

RESOLUTION 14

(MR. AXWORTHY cont'd) drastically increasing costs, and almost nil increase in income.

So when I read out these figures of \$35, \$40, \$35, per month, that I think is a very distinct reason why this resolution was brought forward, that that's the only way. If you look at the economics of it, under the Member for Assiniboia's resolution, if the additional increase was brought in as he recommended I believe in his speech, in terms of over a graduated period of time, over a six-month, one-month period, or one-year period, that in fact the full increase under this resolution would be immediately absorbed by most of their rental increases. It would simply mean that they would be able to maintain themselves in their present accommodation without having to sacrifice a large part of whatever small disposable income, if they have any. Now this isn't brought in because the Member for Assiniboia wanted to be extravagant. It's brought in by sheer necessity. That's all. It's a basic political question of sheer fundamental necessity to allow older people and older couples to be able to maintain some modicum or minimum standard of living at a time when the costs are increasing exorbitantly.

Mr. Speaker, these group of people do not have a union to bargain better wages. They're not a business company that can pass on increased costs in prices. They don't have anyone sort of in a sense who can increase them. The only representative they have are people in this House, who must deal with the Minister of Health and Social Development and the government. In a sense we are really the only lobby, and while they have some effective organizations, like the Age and Opportunity Centre, and Pensions Concern, their only recourse is the political one. It's their only avenue of negotiation, and that's why the resolution is here, is to bring the case forward.

And I would say, Mr. Speaker, that of course I'd heard or read some of the responses that were being made by other members saying that this was wild-eyed, extravagant, prolific I think was one word used, and it was used by Members of the NDP Party, and then lo and behold the grand old man of the New Democratic Party, the man who has been their social conscience and spokesman for their issues, Mr. Stanley Knowles, a Member of Parliament for North Centre, himself has introduced a similar resolution in the Federal House asking - and for the same reasons - saying, that we want the money.--(Interjection)--Well, Mr. Speaker, we agree that we would like to see it, if it's possible for the Minister of Health and Social Development to negotiate a cost-sharing arrangement to get the increase, that's fine. That we think that certainly this House should go on record that that's the sum we want to aim at, that that is where we want to go, and in order to get there we have to say that in black and white and pass a resolution in this House to pinpoint the problem, and to pinpoint the objective. The way the money is achieved we would rely upon the good offices of the Minister of Health to negotiate. But we think until the time comes when the Federal Government gets influence in its own Chamber - it certainly has influence on this Chamber - on record, will they be able to sort of respond like kind, and that was why the resolution was brought forward. That we would see it as a combined effort. We would join in the efforts, or I guess it was really in reverse, that the Member of Parliament for North Centre in a sense joined in the efforts of the Member from Assiniboia, because I think in terms of priority, this came first. So we would say that the Member from Assiniboia has taken some leadership in this field.

I think that, when I look at the resolution put forward by the Minister of Health and Social Development, that we can agree with the sense of it, that he certainly feels that we must urge the Government of Canada to support the establishment of a basic income support system for all persons in need regardless of age. --(Interjection)--Yes, and the Minister of Health and Welfare in Ottawa has already announced that he'll bring in an additional pension plan for spouses.

But the point about this amendment where I disagree with it is that it is couched again in that all too common thing called government ease, the language of the bureaucrat. In other words, the language designed to indicate that you can be all things to all men in all ways without putting your finger directly on the problem and saying, "Here's the solution we want." And to go along with the amendment in its very generalized and vague wording would, we think, badly dilute the problem that we're trying to - or pardon me, the solution that's being put forward. It just doesn't make the kind of impact and the kind of statement of intent of this Legislature, that for those older people who have specific needs - and I think that the Member from Assiniboia was very careful to point out that the \$300 position would be a supplement in effect,

RESOLUTION - 14

(MR. AXWORTHY cont'd)based upon a condition of need - that we must make the case, that that need is here now, and unless some action is taken very directly and very immediately, that many people - and I don't know the numbers but I certainly could - if my own constituency is any example, and the housing prices I just mentioned are any criteria, then they are now being faced with really overwhelming and an unbearable kind of cost conditions.

So it would seem to me, and I would make that certain plea to the Minister who brought in this amendment, that in a sense we're prepared to go along with the association, that this could be a program that would be shared through the Canada Assistance Plan, but we would ask him not to rescind or eliminate the specific goal and objective of the \$300 a month aid for those in need. Because I think if we simply go along with a kind of generalized relatively innocuous sort of statement as it is outlined in the amendment, there will be many older people who are looking for some leadership from this House, and looking for some initiative, who will be sorely disappointed. And goodness knows, Mr. Speaker, the wheels of democracy grind slowly enough, but I think to introduce an amendment like this only sort of reduces them almost to a snail's pace, and takes away the sense of urgency in the sense of real requirement. If I was a Minister of Health and Welfare sitting in Ottawa and was sent a copy of the resolution as amended, we'd say, "Oh, there's the Manitoba Legislature kind of on a slow day passing another sort of an interesting, but kind of innocent resolution." If however, this House would go on record under its original prescription of saying, "We want \$300 a month for these people for these reasons," then I think it carries with it a weight or argument and a sense of urgency that is absolutely necessary if there's to be any kind of appeasement of the serious problems that are now being faced. So I realize, Mr. Speaker, that the Minister has already extinguished his opportunity to speak, but I'm sure he has other colleagues on his backbenches who may be prepared with some slight flicker of the eyelid if his agreement was to be acknowledged, to work out something that the urgency and the specific item of \$300 be maintained as part of this resolution, and in that case we're prepared to go along with the idea that if he can negotiate that from Ottawa, fine.

But let's also make it clear, Mr. Speaker, that if the gentlemen in Ottawa don't listen to this we see not reason why we shouldn't also go it alone for a period of time and increase the supplement, the present supplement. It may not be that we can achieve the full \$300 level but certainly, Mr. Speaker, if this government is not prepared as it has indicated to move for example in the housing field, and has rejected all pleas and calls for a rent review procedure, and everything else - and that happens to be true because I guess now if I had to count the times this issue has been raised in the House I have to say it's probably well over 10 or 12 times at least that I've spoken on it, and have said to them we must do something to provide for a relief of those individuals who are now being faced with rental increases of 30 and 40 percent or \$30.00 or \$40.00 or \$50.00 a month, either through a Rent Review Board so that we could take off the exorbitant scheme, or of providing a rent supplement scheme, whatever the measure may be, it seems to so far have been greeted only with inaction. If that is the case that they're not going to move on the supply side or the housing side, then we must move on the income side and give those people some of the income in order to offset those rising costs. Because if you don't have that, Mr. Speaker, we're going to be faced with literally thousands of older people in the city not being able to afford in any way their present accommodation under their present pension schemes. The need is clear. The question is, how do we resolve it? I would think that if the Minister can't get Ottawa to go along then we would recommend that we go it alone.

MR. SPEAKER: Motion before the House is the Amendment by the Honourable Minister of Health. Are you ready for the question?

QUESTION put, MOTION carried.

The Motion as amended now.

QUESTION put, MOTION carried.

RESOLUTION NO. 4

Resolution 14. --(Interjection)-- No, sorry. Resolution 4. The Honourable Member for St. Matthews. --(Interjection)-- Well in that case the question is open. Are you ready for the question?

QUESTION put. The Honourable Member for Pembina.

RESOLUTION 14

MR. HENDERSON: Mr. Chairman, I didn't think it was going just this way but I don't think that this resolution should be slipped through by some coincidence like this because many of us people from the rural areas feel that our provincial roads are really in a very bad shape. I've been at several different meetings where they've been talked about, where the Minister of Highways has been there, and accordingly they say they're putting on more gravel and they're maintaining them more times than they were before, but if you talk to any of the people in these local communities they say that actually the roads are in worse condition. And in fact what we find in some of the areas - in fact I was in an area over the weekend where they say that because of the shape of the provincial roads that the people are really just travelling the local municipal roads, and that they're breaking in bridges and other things on them. They just don't feel that the provincial roads are being maintained in the way they were.

With today's increased traffic and heavier trucks I often have a feeling that the way that they're getting run now is that somebody feels that well they haven't had too much gravel on them so they'll go and put on some gravel, but they put it on at a time coming near wintertime and the first thing you know you have the snow plows coming down there and they're whipping it off into the ditch, and things like this. So actually they aren't putting it on at the right time or something, because I think you'll find that practically all the rural people find that the provincial roads aren't kept in as good a condition as they were. So I don't think we should just pass this resolution off too quickly. I know that it's one of the main complaints I get, so I'd hate to see it passed off this way. If the members on the opposite side when they aren't through, if they still have more to say it's too bad they wouldn't get up and speak because I was wanting to hear from them as to how come some of these city members feel that we shouldn't have a resolution like this, or it should be slipped over. I'd like to see the Member from Ste. Rose get up and speak on this because he happens to be one of the rural members on that side; they haven't got very many but he's . . .

A MEMBER: The roads are all paved now George.

MR. HENDERSON: They may be getting them all paved because they're on the government side but I'd like to see some of the rural members - and I kind of challenge them - and if there's anyone there that . . . I don't know, we haven't got any rural members in the . . . I'd like to see these people get up and say that they don't believe that the provincial roads are in worse shape than they were before. How about the Member from Emerson? Yes. Do the people complain to him about their provincial roads, or are they telling you they're in better shape? Now I'd like you to get up, and I'd like you to have it recorded if you feel that they're - I'd like you to get up and have it recorded. I challenge you to get up and speak on the provincial roads and . . . Well I certainly think, I'd like to see him get up and talk about his provincial roads and how they're maintained, and whether he thinks they're being better looked after than they were before.

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

MR. G. JOHNSTON: Well, Mr. Speaker, before the Member for Emerson rises I would like to draw to the government's attention some of the complaints I've had in the past two years about roads around the province, and I'll be specific. The road to Highway No. 44 is fast falling apart. When the former Minister of Highways, Mr. Borowski took it upon himself to stop construction in the southern part of the province and put all the machines up north, I think millions of dollars were wasted by allowing roads that were partly completed or in the process, or in certain steps of construction, just to be dropped. Those roads have practically dissolved, and I refer now to Highway 44 from the turn-off at Pinawa right through to Rennie. The road is driveable in some places but in other places it was so bad that a local resident put up a big 4x8 sign saying "Road Closed." And of course the Highways Department made him take it down, but the road was so bad, there was nine miles of road there that was so bad that there was thousands and thousands of dollars worth of damage done to vehicles of people who had to use that road, who had to get to Whitemouth because they lived there or their kids went to school there, or passing tourists, or whatever. There was all kinds of damage done to cars in that particular stretch of road in the last few years. I'm sure that the Minister of Tourism who is a member for that constituency is well aware of this problem, and I'm sure he's not very proud of his government's actions in looking after the roads in our province in the past few years.

I refer specifically also to the provincial road that goes out to Delta. There's a community there of about 30 or 40 families who are stranded right at the present time. The only

RESOLUTION 14

(MR. G. JOHNSTON cont'd) . . . way they can get back and forth is by crawler tractor or an extremely high-bodied truck. It's impossible for a car to go out to Delta at this present moment, and it's been that way all spring. It's been that way for the last two months. That the people at Delta are isolated because of the construction standards of this government with respect to provincial roads.

The Minister of Autopac says, "Why"? I say it's because of the construction standards, because the Minister of Highways when he gets into Cabinet can't sell the point of view that we must maintain the network of roads we already had. We're not asking about new roads; we're saying that it's pennywise and pound foolish not to keep up the roads you already have. Now it may be the Autopac Minister should support the Minister of Highways because he is the one that's faced with mounting claims through poor roads, and he must know that; I'm sure he knows that, that cars that have to use some of these roads are being smashed up needlessly, and there's claims coming in because of that. So I'm surprised that the government sits back so complacently and does nothing.

This is the third year now that members on this side have talked about the deteriorating condition of provincial roads and some of the highways in this province, and the government stonewalls the whole thing. They don't even want to talk about it; you look at the appropriations, they're not doing anything about it, and I think it's time that some of the backbenchers on the government side stopped worrying about getting an appointment and start standing up for the people in their constituencies.

A MEMBER: Hear, hear.

MR. G. JOHNSTON: Because I'll tell you, I don't know how the Member for Emerson stands it when he goes home on a weekend. If any of the roads are similar to 44, and the provincial roads around 44 in the southeastern corner of the province, because they're terrible.

A MEMBER: He drives down 59.

MR. G. JOHNSTON: Yes. He goes down 59, it's a good highway. He goes down 59, it's a good highway, but I'm sure he doesn't go very far off on the provincial road system in his constituency. He'd never get back home.

So I'm saying that this resolution that has been brought in by the Member for La Verendrye, I think it points out a serious error of omission on the part of this government, and they should look after the road system that we spent so many years building up, and not letting them go all to pot.

MR. SPEAKER: The Honourable Minister of Tourism and Recreation.

HON. RENE TOUPIN (Minister of Tourism, Recreation and Cultural Affairs) (Springfield): Mr. Speaker, we can't take this laying down. --(Interjection)--

MR. SPEAKER: Order please.

MR. TOUPIN: Mr. Speaker, I was born and raised in a rural area, I now represent a rural area, and I hope I will for a long time to come, and I spend at least 12 hours a day in my constituency because I sleep there, and I work there at least one day a week. I have to agree with the Honourable Member for Portage la Prairie that the roads aren't perfect in Springfield, but they're much better than they were I'd say 20 years prior to our coming in government, and that I can lay the evidence on Hansard any day. We had promises after promises for at least 11 years to my knowledge in many parts of Springfield, and all we got during elections was pegs. They were back up there when the election was called and back down several months after the election. --(Interjection)--No, not really. There are certain roads in my constituency like elsewhere that leave somewhat to be desired.

But the Honourable Member for Portage la Prairie made reference to 44, and I believe the honourable member is quite aware that 44 was included in the plans for the Department of Highways, is now proceeding. If the honourable member was on 44, like I was last weekend, he would have noticed action on the road, the tender has been let, and work is now being done from Sieg's Corner to Whitemouth. The stakes were not in till last year. The announcement was made official in 1974, and the reason why we did not proceed I made public, and the Minister of Highways equally informed the people of Manitoba, and more specifically the people of the Whiteshell, that we had problems in moving the lines for the Manitoba Telephone System, and fortunately with the co-operation of the Minister responsible for the Telephone System, the lines were moved and now we can proceed with the road. So it's not all that bad.

There's still a lot to be done, but it's the process of getting additional dollars again. When we sit down in Cabinet, when we sit down in this House and look at the estimates of

RESOLUTION 14

(MR. TOUPIN cont'd) every department of government and try to make the choice as between, say, Tourism, Recreation and Cultural Affairs, Highways, and all other departments of government that need funds, well we could possibly have \$100 million in the Department of Highways and spend it wisely. But unfortunately we can't do that when we've reached a budget of a billion dollars for 1975-76. So we've allocated what we felt to be an adequate amount for 1975-76 in current accounts, and in capital expenditure, to upgrade the roads that we have in the province, make a payment to municipalities to upkeep their portion of roads.

I have what I consider to be the third largest constituency in the Province of Manitoba, being Springfield, and a lot of PR roads, a lot of PTH and equally a lot of municipal roads. The policy of transferring the responsibility of PR roads to the municipalities is something that was looked at very closely by the previous administration, is equally being reviewed by the Department of Highways in regard to their responsibility, ongoing responsibility.

So I can't take at face value the challenge made by the Member for Pembina that the rural members on this side of the House are not concerned. And I can't take at face value the comments made by the Member for Portage la Prairie that the roads are worse today than they were, say, five, six years ago. That's not true. It's not true in Springfield. I'm not saying that it's the best that it's ever been. There's a lot of work to be done, we recognize that, and that's the reason that I'm not totally against the resolution made by the Member for La Verendrye. I've discussed the problems of roads with the Member for La Verendrye on several occasions. We're attempting to upgrade roads there as we are elsewhere in the province, but we can't all spend it in one year. I think the advisability of looking at this resolution in a constructive way without attempting to negate all the work that's been done by this good administration, is far from being responsible.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Well, Mr. Speaker . . .

MR. SHERMAN: We can't take this lying down.

MR. EINARSON: I'm not going to do that, Mr. Speaker, as the Minister of Tourism and Recreation says, he won't take this lying down. Rather I want to add a few comments. I think that they are very appropriate, I would hope to this resolution, because, Mr. Speaker, and I can remember when the question was posed to the Minister of Highways, after the completion of a convention of the Rural Municipalities in the City of Winnipeg in the last number of years, when they submitted a resolution to this government asking for an improvement in the maintenance of our provincial roads. After all, and I will say that when I was part of the government of the day we took over I think it was 4,400 miles of municipal roads throughout this province. I want to say, Mr. Speaker, that I think that the Provincial Government at that time did make some improvements in the maintenance of those PR roads, and many people indicated to me that after those roads were taken over - and of course it's only understandable because there's more funds available to the provincial than there are to the respective municipalities. And it's particularly . . . I think it must be interesting to those people who are in the city here who travel out to the country, are interested in going to resort areas for the weekend, are able to find those resort areas by way of the provincial signs that mark our provincial roads much better than it was prior to that road system being taken over by the Provincial Government.

Having said that, Mr. Speaker, I think, and I'd hope that we had come quite a long ways in the maintenance program and improving and upgrading of those provincial roads that were taken over by the province. I don't want this to sound politically facetious but, Mr. Speaker, in fairness to this government, my colleagues and I on this side of the House have repeatedly brought to the attention of the Minister of Highways about the degrading way in which the road system has been maintained, and not even improved but just kept at the standard that we thought that we'd established. You can travel out to the rural areas, Mr. Speaker, on our provincial roads today - and I can use even my own area while other members are doing likewise - and say that you know that you have a hard time to hang on to the steering wheel when you're travelling over because of the washboard of those PR roads. It's just that bad, Mr. Speaker.

But the point I want to make is that when it's brought to the attention of this Minister of Highways, he said the roads were never better. In other words, ignoring completely a resolution brought before a convention duly called in the City of Winnipeg - and I can remember being at one of them at the Fort Garry Hotel - and the Minister of Highways completely ignored that,

RESOLUTION 14

(MR. EINARSON cont'd)and when I say ignored it, because when he stands up in this House and says our PR roads were never better, he's certainly not paying any attention to what the rural councilmen are saying about the PR roads in that respect to municipalities.

So, Mr. Speaker, I think that this government would be well advised to start paying more attention to our road systems in this province. I know I can't help but wonder because I don't know where they're spending our tax dollars, and I think the people in the southern half of the province are taxpayers in the same way as those in the relatively north and the far north, and I think that the people in the southern half of the province and the central part of the province are entitled to some of that money. And I say that it certainly has not been forthcoming in the past number of years. It's almost completely disappeared insofar as the costs and the money that is being spent in maintaining our roads, let alone the capital costs, and that's, Mr. Speaker, I think they can go up into the Member for St. Rose, probably that's why he isn't here, and probably he's not interested in speaking on it, because he doesn't have to.

I think, Mr. Speaker, that the politics of it, and I think it's very noticeable with this party, the Minister of Highways, and I don't know whether he's still in the hospital, but I sure hope that, while I'm on my feet, that he's recovering and will be back with us before too long, because I would have liked very much and would have been more appreciative on my part to be able to say to him personally, rather than have him get it secondhand. But I see the Minister of Agriculture, who is taking his role, is not here to listen to those comments, and so I just take for granted probably that the Minister of Agriculture is likewise no more interested in the condition of our PR roads than the Minister of Highways is.

So, Mr. Speaker, I think that this resolution is certainly one that I think should be considered by this government. I think that if they were to go out and examine and drive over the PR roads, the provincial roads throughout much of this province, they would see and find out exactly what we're talking about. When we say the maintenance program - and I've talked about it on a number of occasions - the number of times that the roads are maintained has been reduced by about at least 50 percent to what it was five or six years ago. And I say the co-ordination in some areas, where we have the boundary lines on a municipality where one area has to maintain up to the boundary line of the certain area, another maintenance plow or maintainer comes from another direction, and it might mean only two miles where that maintainer has to maintain that road, and for that reason that two miles is neglected far more than if there was better co-ordination between each district as to who should maintain that particular road. It's only a matter of probably going another two miles to our trunk highway, and probably that road would be better serviced if the same maintenance operator was to complete that. This is one of the areas I think that there could be improvement if it was looked into.

And so, Mr. Speaker, I commend the Member for La Verendrye for bringing this resolution before us, and I would hope that the Minister of Highways will be able to persuade his colleagues to see fit to allocate more money towards the maintenance and the building of our roads, because in the resolution the member indicates railway abandonment, which is one of the things that we've got to contend with, and I can't help but feel, and I'm wondering how the members of that government are not becoming concerned, because railway abandonment certainly has a significant relationship as to the condition of our roads and what the future of these roads is going to be.

The other area in which I think too, is that the Minister of Tourism and Recreation is holding a portfolio that is becoming more important each year - more important to the revenue of the coffers of the government as well as to the people of this province and to people who come into this province to visit, and I would hope that he would lend his support also to the Minister of Highways in trying to improve the amount of money that is required and probably increase that amount to improve our road system in this province.

MR. SPEAKER: The Honourable Minister in charge of Public Insurance Corporation.

HON. BILLIE URUSKI (Minister for Manitoba Public Insurance Corporation) (St. George): Thank you, Mr. Speaker. I had intended to speak on the resolution as presented by the Honourable Member from La Verendrye concerning the transportation system and our road network within the Province of Manitoba. I heard comments today from the Member from Pembina and the Member from Rock Lake about the condition of the provincial road system.

I want to say that in certain times of the year, as far as the condition of the roads, I have to say that there is no doubt in my mind that some of our provincial roads, and other

RESOLUTION 4

(MR. URUSKI cont'd) roads within the province, are in a very bad state of repair. For example, last spring when we had our floods within the Province of Manitoba, there were many roads and bridges and culverts that were totally washed out because of the water, and no matter what you would have done you'd have had a deplorable condition on our highway system. So when the honourable member says that the roads are not in good shape, there are certain times of the year, depending on the weather conditions and the conditions of the day, that the roads will be in - as one would say - in a hell of a condition. If you have a week of rain in the springtime, no matter if you have six inches of gravel on the road, if you have a heavy amount of traffic on that road it will get trampled in and you will have a road that is just mushy soup with no condition. So I want to agree with the honourable members that there are certain times of the year when the provincial road, or the municipal road system, is in a state of disrepair dependent on the weather conditions.

But insofar as the maintenance on the road system, I gather the honourable members haven't been . . . They just went through the estimates of the Department of Highways and they have seen the amount of money that is set aside for the maintenance and for the capital construction of the road system within our province.

MR. SHERMAN: We didn't have the Minister.

MR. URUSKI: Well, Mr. Chairman, the honourable members didn't have the Minister; they had the staff and they had the Acting Minister there, and any questions that were posed and were raised were answered, and if they would not have been answered to the satisfaction of the honourable members, we still would have been in committee discussing the estimates of the Department of Highways. There are probably some other areas, but they know that the construction, that the amount of money put away for highway construction, has increased substantially over the last number of years, and of course I want to say that the costs of doing that work have increased substantially. As indicated by the Acting Minister, the inflationary cost of building the roads has increased to a great degree in the last number of years.

But going back to the resolution of the Honourable Member from La Verendrye, where he indicates "Whereas an increase in road weight restrictions is imperative to maintain lower transportation costs; and whereas rail abandonment is a constant threat in rural communities." Well, Mr. Chairman, for once I will agree with the member in one area, the Member for La Verendrye, concerning the abandonment, "railway abandonment is a constant threat in rural communities." I want to also say that I was informed that a member of his federal caucus attended a Winnipeg Chamber of Commerce meeting and was questioned about rail line abandonment within this province, and at that Chamber of Commerce meeting he'd indicated that he would support the abandonment of the Crow's Nest rate, but yet - to the Chamber of Commerce he would say that, but to his people in the rural constituency he would not say that.

Mr. Chairman, when they speak of rail line abandonment as being a threat, there is no doubt about it that the impact . . . that if rail lines are abandoned in rural areas, are closed down - and many of them have been left to a very serious degree of disrepair - that the costs that will be borne by all the consumers - not only the farming communities but all the consumers - will be just astronomical. For example, the calculations that are used - and I want to give the honourable members some examples of the abandonment that may take place within the Interlake, of which I am most directly affected, and that is the two lines that are up for abandonment, the Arborg line and the Hodgson line, the Fisher Branch-Hodgson line, that are up for abandonment.

Mr. Chairman, the railways, for example on the Arborg line, in 1973 there was approximately 1,458 carloads out of the Arborg line with the on-line costs at \$222,580, but the off-line costs, which are calculated for the movement of the goods not on the Arborg-Winnipeg portion of the line, but anywhere else on the railway network system - anywhere, either to the Lakehead or through Western Canada - the off-line costs were assessed at \$286,600. Which really, Mr. Speaker, really goes to show that the calculations made by the railway companies do not disclose the true costs on the railway system that they are serving.

What has really happened, for example, on that Arborg line? The costs that they put on the Arborg line, in addition to the costs that are used on that line, are approximately more than double the cost that they use, that they calculate, for the shipment of goods on that line. As a result, that railway receives a subsidy from the Federal Government, and I haven't got the exact figures that they received on that line, but, for example, the Hodgson line that I

RESOLUTION 4

(MR. URUSKI cont'd) mentioned before as well, the on-line costs for that line were \$171,214 and the off-line costs were \$111,000, slightly less. When the railways calculate these costs, these costs are borne directly by the consumers on those lines and, as a result, the railways receive subsidies on them.

What is the effect if the railways pull out of the rural areas on the road network system? You have a cost to be borne by the people of the province and of Western Canada, that if the rail lines are allowed to abandon those hundreds of lines, hundreds of miles of lines that they have in Western Canada, you will have an astronomical cost to all the western producers and, as well, the people of the province who are not directly related with agriculture and with the agricultural industry. What you will find is that you have the trucking industry moving in, an inefficient, a totally inefficient way of handling commodities, putting a semi-trailer truck on the highway, using diesel fuel at a rate of about four miles to the gallon and hauling a load of approximately 1,000 bushels of grain, as compared to one engine, one locomotive, which can pull thousands of bushels of grain based on the same fuel consumption. There is just no sense of abandoning the lines that exist in the rural areas today.

A MEMBER: . . . agree with that.

MR. URUSKI: You agree with that. Some of your members, some of your federal members have indicated that the Crow's Nest Pass rates should be reviewed and they should be thrown in the open, and the actual costs of grain movement should be as it is, and if the honourable members on the opposite side are saying that that's not what they want, I want to hear them say that that's not their position, that they agree with the --(Interjection)-- Well, Mr. Chairman, they talk about provincial roads. That has a direct effect. If the Honourable Member from Pembina doesn't realize that if his rail line to Carman is abandoned that that will not have an effect on the highway system in his area, then I don't know what he is talking about; that if the railways close, all that grain that is produced in his area will have to be transported to a central terminal. Maybe there will be one in the Carman area, I don't know. There may be and there may not, Mr. Speaker, and if there isn't, then the added costs will be borne by the producer or the consumers of that area. But what will happen to the rural communities, Mr. Speaker? Every time that a farmer has to drive further to transport his goods, that community which he normally is associated with will be forgotten. What will happen is that if a farmer has to transport his grain 40 or 50 miles, you will see that you will have shopping centres or small communities established right where the action is, or where the business transaction will be, and his home community will be forgotten and the rural areas will be depleted even worse than they have been over the last number of years.

Mr. Speaker, there is no doubt that the rail line abandonment that has been much talked about over the last number of years, and as mentioned by the member in his resolution, will have and have had much discussion in rural Manitoba and as well in Western Canada, and I think the Federal Government, the federal Ministers are at least making noises that they are prepared to take a second look. I don't know whether they're just biding time, whether or not the investigation that they are conducting now into the rail lines will change some of the attitudes that they have portrayed up until now. Only time will tell. But I can tell you, they have had the Canada Grains Council in the forefront doing their footwork in the rural areas the last number of years, holding many meetings in rural Manitoba. Their recommendations, of course, I think the honourable members know, and I don't know if the honourable members support the position of some of the recommendations of the Canada Grains Council to the Minister in charge of the Wheat Board about the abandonment of rail lines, and if they do, I'd like to also hear them. But, Mr. Chairman, there's no doubt that the maintenance of roads will always be a subject of great debate as to whether or not more money can be spent, or better maintenance can be had on many of the roads that are not surfaced, or even those roads that are surfaced. There will be great debates that will take place about how much money, if enough money is being spent. It's the same matter in drainage works, for example, Mr. Speaker. There could be great debates about if enough money is being spent for drainage works within the Province of Manitoba, because everyone would like to have an up-to-date drainage near his farmstead to take away the spring runoff adequately. The same thing with roads. I would like to have a paved road right past my door, but, Mr. Speaker, I don't think I will ever see the day. I don't think I will ever see the day. But I am prepared to live with that, to live in the area that I think . . . Mr. Speaker, I appreciate living in the area that I have made home and I will live

RESOLUTION 4

(MR. URUSKI cont'd) with that, and I will enjoy my life in the countryside where I live even though I do not live near a paved or hard-surfaced or dust-free provincial road system. --(Interjection)--

Mr. Speaker . . . no, I'll let someone else take up the debate, Mr. Speaker. I will move, seconded by the Minister of Tourism, that the proposed Resolution No. 4 as proposed by the Honourable Member for La Verendrye be amended by deleting the word "implementing" in the second line of the RESOLVED portion, and by inserting in that place the words "continuing to implement".

MOTION presented and declared lost.

MR. GREEN: Ayes and nays, Mr. Speaker.

MR. SPEAKER: Call in the members. Order please.

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

YEAS

Messrs.	Barrow	McBryde
	Bostrom	Malinowski
	Boyce	Miller
	Cherniack	Osland
	Derewianchuk	Pawley
	Dillen	Petursson
	Doern	Shafransky
	Enns	Toupin
	Gottfried	Turnbull
	Green	Uruski
	Hanuschak	Walding
	Johansson	

NAYS

Messrs.	Banman	Johnston (Sturgeon Creek)
	Bilton	Jorgenson
	Blake	McGill
	Craik	McKellar
	Einarson	McKenzie
	Ferguson	Minaker
	Graham	Patrick
	Henderson	Sherman

MR. CLERK: Yeas 23; Nays 16.

MR. SPEAKER: In my opinion the Yeas have it. I declare the amendment carried. The motion as amended.

MOTION as amended presented and carried.

MR. SPEAKER: The House now will recess until 8:00 p. m. when it will resume in Committee of Supply, and I'm leaving the Chair.