

LEGISLATIVE ASSEMBLY OF MANITOBA
Friday, 21 March, 1980

Time: 2:30 p.m.

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY - HIGHWAYS AND TRANSPORTATION

MR. CHAIRMAN, Morris MacGregor (Virden): I call the Committee to order. We are on Resolution 87: 8.(b) - the Member for Churchill.

MR. JAY COWAN: Yes, right before the break, Mr. Chairperson, we had asked about Autopac. I do plan to do a bit of travelling on the roads yet, if I can break away from here for enough time, so I am particularly concerned now to see if the Minister had opportunity to find out if Autopac does cover people on the roads after the road has been officially closed.

MR. CHAIRMAN: The Honourable Minister.

HON. DON ORCHARD (Pembina): No, I didn't yet, I am sorry.

MR. COWAN: Okay; if within the next little while, before I get on the roads, he can give me that information. . .

MR. ORCHARD: Are you leaving this weekend?

MR. COWAN: I was planning on it, but I. . .

MR. COWAN: Thank you, Mr. Chairperson. Just one brief question.

MR. ORCHARD: Mr. Chairman, if I might, if you wanted to phone Autopac this afternoon I think that would probably be just about as quick as me doing it, if you would please?

MR. COWAN: Okay. Thanks; I thank the Minister for that advice and that's what I will do.

The final question, or at least I think the final question that I wanted to ask, was the Minister had indicated before that, I believe, they don't have any record of flying time in regard to inspections. Does that infer that they just don't have that record available to them or that no record has been kept of the amount of flying time that has been used in inspecting the winter road system?

MR. ORCHARD: Well, the record of flights will be logged with the Air Services but it hasn't been broken out specifically into winter roads and compiled.

MR. COWAN: The reason I ask, Mr. Chairperson, I recall that one of my first introductions to this particular Estimates Committee was the Minister at that time, which was a different Minister, was discussing what he considered to be the excessive use of air time in inspecting winter roads and had indicated that his department under his jurisdiction was going to reduce that substantially, and I think we should have an opportunity now, and I would just ask the Minister to forward it to us at some time in the near future to have the record of the flying time so as we can make the proper comparisons, as it was an item that was brought forward by the previous Minister in this department.

MR. CHAIRMAN: 8.(b)--pass; 8.(c)--pass; 8.(d)--pass - the Member for The Pas.

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MR. RON McBRYDE: Yes, Mr. Chairperson, I would like some detailed breakdown of what this entails and why the dramatic change in the amounts.

MR. ORCHARD: In 8.(d), the major source of change between this year and last are an increase in airport improvements of about \$916,000; an increase in resource roads of \$800,000; an increase in community roads of \$1,783,000; a decrease in community airports of \$664,000; an absolute increase of \$250,000 on ferry landings, from zero last year to \$250,000 this year; and a decrease in Airport Maintenance Equipment from \$132,000 last year to zero this year; for a total of \$6,065,000 this year compared to \$3,216,600 last year, both figures of which had the 15 percent Transfer to the Enabling Vote deducted to net out this year to \$5,155,300.00.

MR. CHAIRMAN: The Member for The Pas.

MR. McBRYDE: Mr. Chairperson, I wonder if the Minister could give us a detailed breakdown of last year's expenditures and exactly what resource roads, especially, were done, community roads were done last year on this section, and then, Mr. Chairman, an indication of what is going to be done for this fiscal year under this section.

MR. ORCHARD: Could I give the member this year's program first. The \$924 million on airport improvements, which represents about an \$816,000 increase over last year, is broken down into basically improvement work on eleven airports. They range from a major expenditure at Ste. Theresa Point of \$250,000 involving terminal reservation equipment shelter, regrading, gravel and consolidation, to a low of Shamattawa and Brochet both spending \$2,000 this year for the construction of an outdoor comfort station.

MR. McBRYDE: Mr. Chairperson, the Minister said \$924 million. Did he mean . . . ?

MR. ORCHARD: No, no, \$924,000, I'm sorry; we don't have quite that much money.

MR. McBRYDE: Okay, Mr. Chairman, that's the Airport part of it.

MR. ORCHARD: Under the Resource Roads, we have \$2.5 million this year compared to the \$1.7 million last year, and this provides for the two-year project funding on the Jenpeg, Norway House, Cross Lake Road. That's \$2.5 million flowing into that this year.

MR. McBRYDE: Mr. Chairperson, I just want to make sure I have this correct. Under this section of the Manitoba Northlands Agreement, there's \$2.5 million and 100 percent of that \$2.5 million will be on the Cross Lake Road?

MR. ORCHARD: That's correct.

MR. McBRYDE: Mr. Chairperson, I'm not clear on the Resource Road Section, how they differentiate between a resource road and a regular road, or how that decision is arrived at and why we have a separate item for this road, which explains why I guess it didn't appear on the Minister's blue sheets.

MR. ORCHARD: Whether this is the correct explanation or not, the resource road is one which would primarily service a community destination, rather than something like through traffic. Now, whether that is the total explanation, that road probably won't be numbered for a number of years and come into the, for instance, as a PR.

MR. McBRYDE: Mr. Chairperson, on Item No. 6.(c), which is the same agreement on the same road program as the Minister where he shows, I'm assuming that it comes to \$5 million once he adds in the 15 percent. And then with this item here, \$2.5 million when you break it out of Item 8.(d), am I correct in assuming, then,

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that the total being spent on Highways and Transportation is approximately \$7.5 million out of the Northlands Agreement?

MR. ORCHARD: What the Member for The Pas is asking is in combination, you add in for road construction, the \$2.5 million in this appropriation we just discussed, plus the \$4,496,000, and that is the total Northlands expenditures on road construction.

MR. McBRYDE: That's basically my question. Well, actually, Mr. Chairman, I wouldn't use the words "road construction", I would say for Highways and Transportation.

MR. ORCHARD: Well, no, I believe you could call it road construction because 6.(c) is all road construction, in this case, PRs. This \$2.5 million is strictly, well, it's Resource Road but road construction. So there would be about \$7 million expended under the Northlands Agreement for road construction.

MR. McBRYDE: Yes, Mr. Chairman, I guess I'll have to check with the Minister, then, in terms of his decision and what is his thinking of the planning of the department in terms of spending \$2.5 million this year on one road, as opposed to spending a \$1.5 million and \$1 million on some other very urgent and necessary roads that would fall in this category, I think, such as the Jackhead Road or the Pelican Rapids Road.

MR. ORCHARD: Well, you see, on resource roads we operate under the advice of Northern Affairs and I shouldn't speak for another Minister but when you undertake the road, such as we did into Cross Lake, you either spend all of the money and get your road; like there's no such a thing as spending half the dollars and building half the road. That situation has happened before where you have two-thirds of a road built and it is of no value to anybody. So when you undertake a road construction you have to complete it and unfortunately, or fortunately for the community of Cross Lake in this case, it's going to be completed right through, but it does take up a considerable amount of the available funds. But my department specifically did not say, "This is the one we want to build." We operate under the direction of Northern Affairs.

MR. McBRYDE: Mr. Chairperson, to try and clarify that further, initially the agreement as it related to Transportation was aimed for a good part at this category, 8 (d) as opposed to 6 (c), I think the initial agreement says, "To provide basic access to remote communities," in the Manitoba Northlands Agreement. And then there was some amendment to it last year, I believe, where they said, "upgrading of existing roads plus access to remote areas." I wanted to have some understanding of how that decision takes place, how the allocation is decided \$2.5 million towards resource roads and \$4.4 million towards - or more like 4.5 million - towards upgrading existing roads.

MR. ORCHARD: Well, Mr. Chairman, once again, with this appropriation as with 6 (c) we operate on the advice of Northern Affairs, in conjunction with the federal department, the Feds providing 60 percent of the funding, and they tell us where they want to put their road programming and we undertake to put it in place. So really the decisions that I'm making are none in terms of location of the road. They tell me which road they want to build and we undertake to find a contractor, supervise the contract and put the road in place.

MR. McBRYDE: Mr. Chairperson, I want to make this very clear that I understand this, the Federal Department of Regional Economic Expansion says that there are so many million dollars in this Northlands Agreement for highways and tells the Minister of Highways he'll do so many miles on 391, you'll do the Cross Lake Road this year but we won't proceed with any other projects this year. Am I understanding the Minister correctly?

MR. ORCHARD: You understand correctly. When they have decided that the money goes to the Cross Lake Road, I'm advised that in terms of moneys which were,

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let's call it block funded, from the Northlands Agreement to upgrading of existing roads, they designate X number of dollars, as they have done, then we, in co-operation with them, target them to the areas of, say, 391 that are in the most urgent need. So that in that respect on 6 (c) there is a co-operation as to where, but it's a unilateral decision on the basis of the Northlands Agreement as to how much.

MR. McBRYDE: I wonder if the Minister could clarify his input into that decision, or his department's input into that decision, I am still not clear on that. I wanted the Minister, Mr. Chairperson, to clarify that his or the department's role in those decisions, does the department have no role at all then in making those decisions or does the department make recommendations in terms of their priorities, or how does it work?

MR. ORCHARD: No, you're referring specifically to 6.(c) - the department's input into 6.(c).

MR. McBRYDE: Well, Mr. Chairman, I was asking the general question as to the department's and the Minister's input into the programs to be proceeded with this year under the Northland Agreement. So then I would be talking about 6.(c) and 8.(d), and if there's two different procedures, then maybe the Minister could tell me both of them; if it's the same procedure he just needs to tell me one.

MR. ORCHARD: Well, as I understand it, it's the same procedure in determining how many dollars are available. But, for instance, on the Cross Lake Road, they indicate that they want the road built into Cross Lake and we undertake to do that job for them using their money.

In terms of the Northlands moneys that are found in 6.(c), they will tell us the amount and we will help them place it along the various sections in need of 391.

So our direction is in attempting to spend it in the area of the greatest need on 391, having them given us a dollar figure to work with; and in the second instance of 8.(d) as we have here, we are carrying out a project that has been mutually agreed upon by Northern Affairs and DREE.

MR. McBRYDE: Yes, Mr. Chairperson. I want to make sure that I understand this clearly and here's what I think goes on then.

In the case of 6.(c) the Minister is aware of about the amount that's going to be available and him and his department make recommendations as to their priorities under 6.(c).

Under 8.(d), the Minister was just told by those that administer the agreement, DREE and the provincial Department of Northern Affairs, you will stop at the Cross Lake Road. Is that the correct interpretation?

MR. ORCHARD: Yes, that's correct.

MR. McBRYDE: Yes, Mr. Chairman, I wonder then when that decision was made that it would be that this resource roads allocation would go 100 percent to the Cross Lake Road, when would that decision have been made then?

MR. ORCHARD: Well, you see there was \$1.7 million last year, so it would have to have been - and I'm guessing here - probably up to two years ago.

MR. McBRYDE: Yes, Mr. Chairman, then a very important and urgent question that comes out of this is that the Department of Highways is pretty well now, in terms of northern construction as far as I understand these Estimates, for northern roads they're depending on the Manitoba Northlands Agreement. That is pretty well all the expenditures for northern roads are covered under the Manitoba Northlands Agreement.

Now the Minister mentioned the federal government put up the money, but I'm assuming that he means they put up 60 percent of the funds, or is he talking about cases where they're putting up 100 percent under this agreement now?

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MR. ORCHARD: Well, Mr. Chairman, on the roads that we are talking about, namely those appropriations under 6.(c) and this particular one of \$2.5 million, these are under Manitoba Northlands, which the province contributes 40 percent and DREE 60 percent.

In addition to those projects that are in place the department is undertaking some 172 miles of road construction on 391 and 392 at 100 percent provincial dollars under this year's program.

MR. McBRYDE: Okay. If the Minister could just - I don't want him to repeat what he said the other day on 6.(c) - but is all that information going to be in the record? Was that made clear the other day on 6.(c), in terms of exactly what dollars would be spent under 6.(c), which sections are covered by 6.(c)?

MR. ORCHARD: I think so. We discussed that pretty thoroughly.

MR. McBRYDE: Yes, Mr. Chairman, then I can look that over in the records.

My concern then, Mr. Chairman, is that the majority of funding for northern construction now is coming under the Manitoba Northlands Agreement. That agreement is not going to go on forever and I wonder if the Minister could indicate what's going to happen when the Manitoba Northlands Agreement expires and they're no longer getting 60 percent of \$7 million or \$8 million a year for northern construction. What's going to happen at that time?

MR. ORCHARD: Well, Mr. Chairman, what will happen in future years is exactly what has happened in this year's budget, where in addition to expending in the last year of the Northlands Agreement the balance of funds available, we are undertaking 172 miles using moneys in 6.(a), Regular Program, to construct roads in northern Manitoba.

MR. McBRYDE: Yes, Mr. Chairman, okay. I would like the Minister then just to finish what he was doing. He did airports, and he did the resource roads and we spent \$3.5 million of the \$5.1 million. I wonder if he could spend the rest of it.

MR. ORCHARD: Certainly can. On Community Airports we have four projects which total an expenditure of \$308,000, they are at Ilford, Lac Brochet, Pikwitonei and Thicket Portage, and those are completion of airports under construction.

MR. McBRYDE: Yes, Mr. Chairman. Could the Minister clarify the difference between airports and community airports, like (a) and (c)?

MR. ORCHARD: The airports all serve the same function. The difference for, I suppose, want of classification is that one is airport improvements, in other words, to existing operational airports; and No. 3 is community airports, construction of brand new ones or completion of newly built airstrips.

MR. McBRYDE: Mr. Chairperson, I've sort of jumped back and forth between (a) and (c) since they're the same thing.

I was making some assumption I guess that maybe airports were ones that in the past had been cost-shareable by the Ministry of Transport and in that way in the past the airport program was stretched out quite considerably because some airports were cost-shared under MOT and some under Northlands and we were able to get quite a few done that way.

I wonder if the Minister could tell us if there's no more airports that qualify for Ministry of Transport assistance under their cost-shared program for airports of a certain size and usage.

MR. ORCHARD: The expenditures in 3., the \$308,000, are cost-shared with MOT. That is not correct, these are not MOT fund which have shared in the completion of construction on those four airstrips. It is Canada-Manitoba Northlands Agreement funding which is shareable in the completion of construction on these four. Where MOT fits in is back on the operation of airports in 4.(d), Airports and Roads, are recoverable from Canada if there is MOT.

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MR. McBRYDE: Yes, Mr. Chairman, the Minister, then was he going to get the community roads, the way he listed them the first time he had community roads listed right after resource roads and I just wondered.

MR. ORCHARD: Community roads is next.

MR. McBRYDE: Okay, go ahead.

MR. ORCHARD: We have an expenditure budgeted for \$2,083,000.00. It is going to take in the Norway House-Jenpeg road, Norway House bridge and approaches and Norway House internal roads.

MR. CHAIRMAN: 8.(d). The Member for The Pas.

MR. McBRYDE: In terms of the community roads decisions, Mr. Chairperson, I wonder if those decisions are made by this Minister or how is that decision made as to which community gets aid.

MR. ORCHARD: This decision is the same as the resource road decision, where we are given a set of road projects and we undertake them.

MR. McBRYDE: Yes, Mr. Chairman, in this case, would that decision basically be made by Northern Affairs and then get approval from the Department of Regional Economic Expansion, or does he know that process?

MR. ORCHARD: Yes, the same thing as the resource roads.

MR. McBRYDE: Mr. Chairperson, there has been quite a bit of work necessary to be done in Norway House. However, there have been quite a few communities that there's also necessary work to be done in, and I'm wondering, I suppose the question that comes to my mind is should those other communities come in and sit in at the Legislature this summer, and then next year they might appear in here the same way Norway House has appeared in here this year. I have no further questions on that subject.

MR. CHAIRMAN: The Member for Burrows, I think, had my eye earlier, I'm not sure if he still . . .

MR. HANUSCHAK: I had heard the Minister say, in response to my colleague, the Member for The Pas, that in dealing with 6.(c) last night, that it received extensive discussion and that the Minister had outlined the road programs under that appropriation. I believe I was here for most of the evening, Mr. Chairman, but I really have no recollection of the Minister giving the committee that type of information. I may be wrong. I have no recollection of it. I'm not sure what the Minister is saying, because I can't hear the nodding of his head. I believe the Minister is saying that he did provide us that information, is that correct?

MR. ORCHARD: That is correct.

MR. HANUSCHAK: Then I will read Hansard and I'll find it there.

MR. CHAIRMAN: The Member for Churchill.

MR. COWAN: Thank you, Mr. Chairperson. The one item that I didn't catch, perhaps, was the item on the landings which was a new item.

MR. ORCHARD: It's next.

MR. COWAN: Okay, but perhaps before going into that, I just want to make certain that would be put on the record. The Minister said that the community airports was completion of airports that had been started; and listed in that grouping, Ilford, Lac Brochet, Pikwitonei and Thicket Portage. I would ask the Minister if he's received representation from the community of Tadoule Lake in

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regard to an airport at that particular community; and also from Waasagomach, which both now, well at least Waasagomach has an emergency landing strip which they are very dissatisfied with, and the community of Tadoule Lake is relying upon the ice in the lake during the summer, so they have no real airstrip there. I would ask the Minister if there any intentions on the part of his government to provide better service to at least those two communities in the very near future?

MR. ORCHARD: Well, we have received representation in our department from Tadoule Lake.

MR. McBRYDE: You have?

MR. ORCHARD: Yes.

MR. ORCHARD: 8.(d). The Member for Churchill.

MR. COWAN: Well, perhaps while we're on that, I can then assure the Minister that Tadoule Lake is in need of an airstrip that will serve them year round. I'm not certain, I will have to check my files, I believe that I had written to the Minister myself in regard to this upon request of the people of Tadoule Lake. I'll have to check and make certain that letter did, indeed, go out. I don't know, does the Minister have any recollection of correspondence from myself in regard to that?

MR. ORCHARD: No.

MR. COWAN: Okay, I'll have to find the copy of that letter and make certain that he does get it, because it may have been waylaid by some accident. I would ask the Minister, being advised now that Tadoule Lake does very badly need an airstrip; in a community such as Tadoule Lake, which is not serviced by rail, which is not serviced by any of the means of access, and probably will not be serviced by any other means of access for a goodly number of years, the airport takes on added significance and if they had an airstrip there they could start landing the larger planes which would enable them to carry more freight in. Right now it's even more costly for them to get freight in than it is for a community that has a strip where a DC3 can land or a community that has a strip where a larger plane can land. They are confined to using the water during the summer, planes coming in on floats, and then there's all the resultant difficulties in getting the supplies off the plane onto the shoreline, and it's just a difficult and costly process. And then, of course, in the winter they can use the ice when the ice is thick enough, but between the times that they're going from ice to the spring water during the breakup and during the freeze-up, then they are fairly well cut off altogether. That's when you have your emergency situations that can result in rather disastrous consequences.

That's when you have real problems, medical problems in that planes can't get in soon enough to get people out on an evacuation if that should become necessary. Couple that with the fact that Tadoule Lake is now presently only serviced by radio telephone and you've exasperated the situation significantly, because now you have problems even getting the communications out to get the planes in if the planes could come in or go out, depending on the breakup and freeze-up conditions. So, I would suggest to the Minister that I will be forwarding to him a copy of a letter which I know was written previously by myself, and I will make certain that the Chief of Tadoule Lake and the council of Tadoule Lake are in touch with the Minister and hope that he would entertain their representation with a sincere motivation for trying to implement some ways of bringing in an airport or airstrip service to that community where it's very badly needed.

The Minister said he hadn't received representation from Tadoule Lake. Has he received representation from the community of Waasagomach in regard to airstrip improvement? In that particular instance, they have an emergency strip and, as the people in the community told me, the reason they call it an emergency strip is if you land on that strip, it's an emergency. And I have had the opportunity to go there and see the strip and to even walk along the strip and it's rather hilly country, and I would not be comfortable landing there. The only way I would land

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on that strip is if an emergency necessitated it. So I would ask the Minister if he has received representation from representatives of that community in regard to repairing that strip.

MR. ORCHARD: Well, Mr. Chairman, I haven't personally and I am just checking to see whether the department had. Not recently, the department hasn't had discussions with them recently about upgrading that strip. I haven't had discussions with them.

MR. COWAN: Well then, perhaps I'll ask then, is the Minister prepared to entertain a representation from that community in regard to determining whether or not that strip is adequate, because that's a decision that the Minister has to make. The community, as I said, and I concur with them, believe it to be inadequate. But would the Minister be prepared to do that and also do so with the sincere motivation towards meeting the, what I consider to be, very legitimate requests of that community. Again, it is a problem that manifests itself most directly and most significantly during the winter and spring thaws and freezes, when they can't get the people out in case of a med-evac. emergency, although it does also have great difficulties in getting mail in and out of the communities and getting services in and out of the communities. So I would ask the Minister if he is prepared to do that and I'll try to get word back to the community as quickly as possible so that we can start the ball rolling on that.

MR. ORCHARD: I am always prepared to meet with our citizens of Manitoba in their needs.

MR. CHAIRMAN: 8. The Member for Churchill.

MR. COWAN: Thank you, Mr. Chairperson. The Minister also in this item has a category called Airport Improvement. Would moneys in that category be applicable to the Leaf Rapids Airport, which again is experiencing some difficulties because when that airport was initially constructed, it was not constructed long enough to accommodate the larger planes and accommodate jet service in particular. So what happens now is if some one wants to fly into Leaf Rapids they can not fly direct; they have to fly either direct to Lynn Lake and drive down or they have to fly direct to Thompson and then get on a Twin Otter. And it's an extremely costly procedure when you have to make that either extra trip into Lynn Lake and drive down or when you have to change a plane. I am not certain of the exact figures but I know I have had to do that myself and the cost differential between flying into Lynn Lake directly and flying into Leaf Rapids, which is a shorter distance, is significantly more for flying into Leaf Rapids because you have to make a switch on to a Twin Otter or a smaller plane. So I would ask the Minister if this would be the appropriate area to discuss improvements to that particular strip.

MR. ORCHARD: Mr. Chairman, no it wouldn't be but I can tell the member that is under the Department of Economic Development in their . . . Well, I forget what the appropriation is in. I think there is going to be some work ongoing there as a matter of fact.

MR. COWAN: Well, that's good news from the Minister, Mr. Chairperson. I will be, of course, attempting to be in the committee to pursue that when it comes up under the Department of Economic Development so that we can ascertain exactly what is being done and how it would fit in with the requests of the community. I would also like to. . .

MR. ORCHARD: If I might turn the floor over to the Minister of Labour, he has more detail on that Leaf Rapids.

MR. CHAIRMAN: The Minister of Labour.

MR. MacMASTER: I think, Mr. Chairman, that the Member for Churchill will find, in the last two or three days, it's either been a \$10,000 amount of a

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\$20,000 amount has been earmarked for upgrading of the airport at Leaf Rapids to help the municipality with the ongoing costs.

I talked to some of the Leaf Rapids officials two months ago, I guess, and they raised that particular point, that they were not in fact getting specific funds and they are one of the few municipalities, if not the only one in Manitoba, who does in fact have a direct responsibility to maintain their own municipal airport. And I agreed that it was a somewhat different set of circumstances where Canada looks after the major ones and Northern Affairs looks after others. So they certainly were caught in the middle, and I'm guessing at the amount; it was either \$10,000 or \$20,000 that is going towards the municipality to upgrade and maintain that. I still think, further to that, you may find that the Minister of Economic Development may be doing something else in that area.

MR. COWAN: Thank you, Mr. Chairperson. I thank the Minister of Labour for that information and I am certain that, although I can't make a value judgement now as to the amount and what that amount will do, I am certain that the community will ask for more, and maybe justifiably so, I am not certain; I'll have to discuss that with . . . But we will be pursuing that matter further.

On the item of Resource Roads, I believe the Minister said that a resource road is a road that primarily services a community; in other words, goes into the community and does not pass through as opposed to a road that passes through a community. Is that correct?

MR. ORCHARD: Yes.

MR. COWAN: The reason I ask that, Mr. Chairperson, is that I would want to talk about the community at South Indian Lake and I believe that would come under this particular item. Is that not true? Under the item of Resource Roads?

MR. ORCHARD: Well yes, it would, but it would be of no avail to speak to this Minister on that road because it would be the Northern Affairs Department who would put the wheels in motion for my department to undertake such a construction project, if desirable.

MR. COWAN: I thank the Minister for that information. We'll certainly try to bend the ear of the Minister of Northern Affairs when the opportunity presents itself. I will just then ask the Minister if he could outline the \$250,000 item for Ferry Landings.

MR. ORCHARD: We are spending that on reconstruction on several of the ferry landings. Some of them were not adequately constructed when first built and, you know, at the time they were built there was a shortage of proper materials and we have had changing water levels since that time. So we have to undertake some fairly extensive repairs and, in one case, a relocation for proper alignment, apparently, to bring the ferry landings up to a more serviceable level.

MR. COWAN: Yes, thank you. Just pursuant to that, then this is basically a one-year item; it would be an item that we would not expect to see on an ongoing basis?

MR. ORCHARD: Yes.

MR. CHAIRMAN: 8.(d)--pass; 8.(e)--pass.

Resolved that there be granted to Her Majesty a sum not exceeding \$5,555,000 for Highways and Transportation, Acquisition/Construction of Physical Assets--pass. Resolution 88, 9.(a). The Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, at the request of the Minister, I've been waiting for this part to deal with the question of the negotiations which took place as between the Department of Highways and the Manitoba Public Insurance Corporation. Firstly, have those negotiations been completed?

MR. ORCHARD: Yes, Mr. Chairman.

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MR. CHERNIACK: Secondly, has there been a cash adjustment as between the two parties?

MR. ORCHARD: No.

MR. CHERNIACK: How much are we talking about that has been declared as owing from one party to the other for past services?

MR. ORCHARD: Mr. Chairman, we have established a new cost-sharing formula which is reflected in the Estimate figure this year. In terms of going back and making the appropriate adjustments for past years, that calculation and those negotiations have not been completed to date, they are in preliminary stages.

MR. CHERNIACK: How will the adjustment be made once the amount has been established?

MR. ORCHARD: Assuming that the adjustment is in the favour of MVB the Motor Vehicle Branch, and funds will be forthcoming from MPIC, those would go into general revenue.

MR. CHERNIACK: Is the Minister not aware yet whether or not there will be an adjustment in favour of the Department of Highways?

MR. ORCHARD: Yes, by all appearances there is going to be an adjustment in our favour. Our figures indicate that it should be somewhere around \$1.5 million.

MR. CHERNIACK: So, Mr. Chairman, we're not speculating and there's no assumption. We know that there will be a payment passing from MPIC to the Department of Highways to General Revenue, which the Minister estimates to be - I think he said \$1.5 million.

MR. ORCHARD: Somewhere in the neighbourhood of \$1 million to \$1.5 million, yes.

MR. CHERNIACK: For what period of time is that, Mr. Chairman?

MR. ORCHARD: That takes us back to November 1, 1978.

MR. CHERNIACK: Since the Minister is expecting that there will be between \$1 million and \$1.5 million, how can he adjust that Estimate with the one which appears in the Annual Report of the MPIC on Page 3 which reads: "The proposed changes to the share-cost arrangements between MPIC and Motor Vehicle Branch accounts for \$2.6 million of the increase," and they say that that's retroactive to November 1, 1978. There seems to be over a million dollar discrepancy. What am I saying, a million - yes, over a million dollar discrepancy between the MPIC statement and the Minister's expectations.

MR. ORCHARD: Well, I really can't account for how MPIC has arrived at their \$2.6 million.

MR. CHERNIACK: Mr. Chairman, I know that the Minister has received the Annual Report, which doesn't mean he read it, but I also know that the Minister knew that we were going to be asking questions along this line at this stage and I would think that it's a rather important discrepancy when you're dealing with one side of \$1 million to \$1.5 million, and the other side, \$2.6 million, and the negotiator, as I understand it, is present in this room today, because I think that the Minister made it clear that the Assistant Deputy Minister responsible for the Motor Vehicle Branch was the representative of his department. Whether or not it isn't rather important that we get some kind of reconciliation, be it 10 per cent, be it \$100,000, but surely not over \$1 million out of \$2.6 million. I wonder if the Minister couldn't just review that.

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MR. ORCHARD: Well, Mr. Chairman, we have done our preliminary calculation as to what we believe will be paid by MPIC to us for services from November 1, 1978 to present, and obviously MPIC has done the same kind of calculation; they have come up with \$2.6 million and we don't know at this point in time how they arrived at that calculation.

MR. CHERNIACK: I just want to make sure I heard the Minister correctly. Did he say that the calculation from November 1, 1978 to the present, according to his calculation, is somewhere between \$1 million and \$1.5 million?

MR. ORCHARD: That's correct.

MR. CHERNIACK: That means, Mr. Chairman, according to what the Minister said, that we're dealing with almost 17 months, which the Minister says adds up to \$1.5 million and the report I'm referring to speaks of \$2.6 million for 12 months. So the discrepancy is much greater than I first understood. Now the discrepancy must be - wow - it must be more than half, that is, if we take 17/12ths of 2.6 million - I don't know who is quick enough to do that, but I would guess it's about \$3.5 million as compared with the Minister's calculation of \$1 million to \$1.5 million for the 17 months. And the difference is so great that I am really surprised, Mr. Chairman. I want to remind the Minister that MPIC is not some company outside somewhere which has no relationship with government but, indeed, it's his Cabinet which is responsible for the operations of this Crown Corporation. And I would think that it is really incumbent on any Minister of the Crown, and especially the former Minister for Highways, who is the present Minister responsible for MPIC, and the present Minister of Highways, to have some feeling of responsibility for being able to account between these two figures and the tremendous discrepancy between them.

Does the Minister want to undertake to explain that before we complete his department, in which case I would move to something else?

MR. ORCHARD: Mr. Chairman, I can't really undertake an explanation for the difference, but we will take the \$3.5 million.

MR. CHERNIACK: Mr. Chairman, I am taking this question, this problem really seriously . . .

MR. ORCHARD: As am I, when you've got \$2 million on the table, we'll take it, Mr. Chairman.

MR. CHERNIACK: And now, Mr. Chairman, we have a presumably responsible Minister of the Crown who makes the statement that they will take. Who will take? The Crown will take. From whom will they take? From a Crown Corporation, a \$2 million discrepancy, we will take.

Mr. Chairman, what bothers me is the possibility that the government will take money out of proportion to what it ought to have on a proper cost-sharing basis, in order, possibly, to improve the financial picture of the government, at the expense of a Crown Corporation which this government does not believe in at all, in philosophy.

The Minister, too glibly to my way of thinking, explains the differential by the \$2 million. --(Interjection)-- Now, Mr. Chairman, I'm hearing some talk from across the hall from me. I want to make it clear to the honourable members opposite that there is nothing that I know of in the espousal of philosophy of the Conservative Party which is supportive of a public insurance corporation such as Autopac. There have been clear statements from Ministers, including the First Minister, that they will not "destroy" Autopac. But, Mr. Chairman, never have I heard the members directly opposite from me today speak in favour of a public insurance corporation, nor have I heard the Ministers of the Crown, any of them, I think, that I've been able to hear - so let me say, the First Minister, the Minister of Finance, the present Minister responsible for the Public Insurance Corporation - say that they believe in the principle and the philosophy of a public insurance corporation.

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So, Mr. Chairman, since we have evidence of past attempts, to some extent successful, of this government affecting adversely the operation of the Manitoba Public Insurance Corporation, and I will document it if anybody wants me to, and I will document it, if not today on another occasion, whether or not they want me to, that my statement is correct.

But the point I'm making, Mr. Chairman, is that since the Minister says that he is absolutely serious - and I gave him an out, I said, "I do not treat it lightly, I treat it seriously," and he said so does he - I take it very seriously that he will seriously say, "I will take what I can get. I'll take an extra \$2 million from the Crown corporation of MPIC."

So, Mr. Chairman, I will pause for a moment to see if the Minister does want to respond to my statement. If he doesn't, I'll go on.

MR. ORCHARD: Mr. Chairman, obviously, if that is the money, \$3.5 million, as determined on the 17-month calculation, if that is the dollar figure that the negotiations come up with between MVB and MPIC on the moneys owing by MPIC to Motor Vehicle Branch, certainly I will take that \$3.5 million. If it is \$1.5 million, I will take that \$1.5 million. We will arrive at a figure once we have negotiations on the same costings, etc., etc., and we know that we are comparing apples and apples and possibly, as it appears, not apples and oranges, which has arrived at a 2.6 versus a 1.5 comparison right now.

But if MPIC owes the government for services performed, \$3.5 million, certainly the government will take that \$3.5 million, if it is so owed.

MR. CHERNIACK: Mr. Chairman, the Minister, when I first raised this question at the beginning of his Estimates, did not deny his responsibility, as a Minister of the Crown in charge of the Motor Vehicle Branch, for the participation in these negotiations. He did refuse to answer direct questions, saying, "Well, he's asking for figures and numbers and I will deal with that under MVB." Now he is saying, if it becomes known that - those are my words, not his, but the intent is clearly - I infer from what he said that that's what he means. If it becomes known somehow that there is \$3 million or \$1.5 million or \$3.5 million payable to the Motor Vehicle Branch and he will accept it, it seems to deny completely his responsibility and his participation in these negotiations.

Now let's get something clear, Mr. Chairman. Does the Minister have any knowledge of the negotiations and the calculations that have been arrived at to date, on which he bases this estimate? Does he, himself, know what he's talking about in this regard?

MR. ORCHARD: Well, Mr. Chairman, when the Member for St. Johns one week ago was asking me about whether in fact the new cost-sharing formula was involved in the drawing up of the 1980-81 Estimate, I said, yes, it was, we were operating on a 55-45 cost-sharing formula.

MR. CHERNIACK: No, you never used those figures.

MR. ORCHARD: Okay, I stand corrected by the Member for St. Johns. I did not use specific numbers but I did indicate that these Estimates were drawn up on the basis of the new cost-sharing formula. That is what has in fact taken place and that cost breakdown turns out to be that instead of an 80-20 ratio, it is now a 55-45 breakdown in cost sharing.

MR. CHERNIACK: Mr. Chairman, the Minister, who apparently is not sure of his figures and says, "Well, we'll take it if we find out it's an extra million for the year," in excess of a million, also indicates that there is a possibility that he has over-estimated his expenditures in this department by a million dollars and that therefore the deficit at the end of the year, or the surplus at the end of the year, can now be predicted to be over a million dollars out, according to his own statement.

MR. ORCHARD: Would the Honourable Member for St. Johns like to clarify how I have this year under-estimated my departmental Estimates by \$1 million?

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MR. CHERNIACK: I'll be glad to try to clarify it for the Minister. The MPIC estimates that the year November 1, 1978 to October 31, 1979, makes an adjustment necessary of \$2.6 million in favour of the Department of Highways. That \$2.6 million is well over \$1 million more than what the Minister indicates he has shown in these Estimates as being the differential, that being the amount by which he would have changed the figures.

Now, actually, if one looks at the item itself, which I am guessing is (b).(2) - I'm guessing, because that's the only substantial reduction that I see - there's a reduction there of about \$1,100,000.00. That's of course less than between - no, it is between \$1 million and \$1.5 million. But it's certainly not \$2.6 million, based on the dollars of 1978-79. So that if the Minister had difficulty understanding my arithmetic, I hope he now understands how it is I arrive at the possibility that he is over-estimating his expenditures by in excess of, substantially in excess of \$1 million.

MR. ORCHARD: Mr. Chairman, the 1.5 million that I referred to as the guesstimate of what would be owing for the time since November 1, 1978, as I mentioned initially, is not revenues accruing to this department. Those are revenues accruing to the Province of Manitoba, General Revenue Account.

MR. CHERNIACK: Is the Minister saying that this year's split of cost-sharing will be reflected in the revenue items and not the expenditure items; is that what the Minister is saying?

MR. ORCHARD: As of November 1, 1978 until March 31, 1980, it is estimated by Motor Vehicle Branch that they should receive \$1.5 million in revenue, which, if it comes, will accrue to the General Revenues of the province, nothing to do with Motor Vehicle Branch, Department of Highways.

MR. CHERNIACK: Right.

MR. ORCHARD: What we are dealing with in my Estimates this year is the appropriation for April 1, 1980 to March 31, 1981, in which Motor Vehicle Branch Estimates have been calculated, basis the new cost-sharing formula between MPIC and MVB, of 55-45.

MR. CHERNIACK: All right, Mr. Chairman. What we now recognize, of course, is this tremendous difference of, well, maybe a \$2 million difference between the calculations of MPIC and MVB for the period about to expire now, this month. And clearly that will be reflected, whether it's \$1 million to \$1.5 million, as stated by the Minister, or maybe \$4 million - am I right about that? - well, \$3 million anyway - a guess by MPIC, whatever that amount is, will be shown as Revenue in the fiscal year about to start and shown as a deficit or an impact on MPIC as of a year and a half ago, or at least half a year ago. Which means clearly that the books of the government's operations will be distorted, obviously distorted, simply by the fact that the MPIC is showing a loss for a year which ended last October and the government will be showing a gain for the year yet to come. Which means, if all these figures are correct and I've yet to satisfy myself, that where the government should have shown moneys due in this current year about to expire as being revenue, it is postponing that revenue for a year and forcing, as I believe they have done through the state of the MPIC, the MPIC to show a loss for a year different to the year in which the government is gaining the money.

That's why I asked whether the amount was settled. That's why I wondered whether we would see the reflection in the two years properly. I would hope that since the books aren't yet closed by this government, that the Auditor at least, if not the government itself, will make very sure that there is a closer relationship between the years than what I think the Minister indicated. Now, the Minister may not know but as I understand, the Minister said very clearly whatever amount is settled as owing from MPIC to the government, will be shown in next year's revenue. So clearly there is a definite distortion as between two fiscal years. Instead of both showing in the same year, they'll be shown in two different years.

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I hope the Minister is wrong and I hope that the Auditor, at least, will force - well, let's be more gentle - will insist that the two years be much more comparable and they can't be completely because they are not exactly the same fiscal years, that they will reflect more honestly, more truly the change resulting from the negotiations.

All right. So now we find the one discrepancy is still correctable - and I hope the Minister will make sure that it is corrected - and that is that his statement that the revenue for past adjustments will be credited to next year's income. I hope he's wrong and I hope that he will make sure that he is shown to be wrong by having it more properly shown in this current fiscal year, at least as an accrued accounts receivable if they can't get paid in advance of that.

I am really surprised that a good business operation, knowing that there's between \$1 million claimed and \$2.6 million admitted, as it is, that they'll get the money in fast and get it in at least on account, to make sure that it's closer to . . .

Mr. Chairman, you're a businessman. You would never permit a fellow who admits owing you money, and you claim that he owes you less than he admits owing you, you would never permit him to withhold paying you at least what you claim is owing you, which is the picture I get from this Minister.

He says they are going to have to pay us between \$1 million and \$1.5 million. They say they are going to be owing us \$2.6 million. When it does come in we will credit it to next year's revenue. Any good businessman would say, if you admit owing me \$2.6 million, I only claim \$1 million or \$1.5 million, pay me at least what I claim you owe me and later on we'll fight about whether or not you're going to force me to pay you more than I think you owe me.

MR. ORCHARD: Mr. Chairman, I want to make a correction to the Member for St. Johns. He indicated that I said it would be credited, any refund from MPIC would be credited to next year's revenues. I didn't indicate it would be credited to next year's revenues. I said it would be credited to government revenues. I did not specify a year. I do not know what year it will be credited because I don't account for the books of this province; that would be the Provincial Auditor's job.

And in the Member for St. Johns' concern about the distortion of the deficit picture, depending upon which year that crept, if any, and how much is credited to general government revenues. If it should happen to be in the next fiscal year it will have, as he is indicating, the effect of decreasing or distorting the deficit downward. But, Mr. Chairman, that will only be as a reflection of how much the lack of that payment distorted the deficit upward this year. It is six of one and a half a dozen of the other. Because if the dollars are owing, except for the semantics of determining the level of the deficit, it is money owing to the general revenue of the province which at some point in time, must be paid.

MR. CHERNIACK: Mr. Chairman, the Minister made two points. One is that I misinterpreted what he said, that may be true. I thought he said next year but if he did not mean to say next year, then I think . . .

MR. ORCHARD: I did not say that.

MR. CHERNIACK: And now he says he doesn't really know. So we'll let it go.

MR. ORCHARD: I said I did not say that.

MR. CHERNIACK: He said he doesn't really know which year it will go into.

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

MR. ORCHARD: I said I did not say next year. I said it would be credited to the government revenue. I did not assign a year.

MR. CHERNIACK: Mr. Chairman, I'm sure that quietly you might whisper to the Minister that he had no point of order whatsoever and that he didn't even have a point of privilege, but that's arguable.

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But what he did say - this he did say - is that he doesn't know whether it will be this year or next year, that is this month or next month, he didn't know that, and I agree. Now, I agree he doesn't know it. I would urge him as a member of the Cabinet to make very sure that he not only finds out, but that he makes every effort to persuade his Minister of Finance to straighten this thing out so there isn't the distortion, which he says is six of one or six of another.

I might agree with him had I not already known on the record, that the MPIC has been forced to show a deficit in a year, in a preceding year, and I don't know - well, I assume that that's in the correct year - which cannot be reflected by any Minister of Finance fully because there's half a year differential. But if not for the fact that his Minister and his First Minister are busily quoting percentages, percentage up, percentage down, look how good we look, look how fine we are, look what good managers we are, that therefore, I cannot trust him, because I cannot trust his First Minister as Minister of Finance, to give clear pictures of year by year management of his company when we find here that there are distortions which he admits.

So it's not six of one or six of another. It would be if this were a private little business being run by the Minister and his colleagues where they were accountable to themselves only. But they're not, they're accountable to the taxpayers and they're accountable every four years at least.

So let's make sure that we understand it's not six of one or half a dozen of the other when you are distorting the picture as he admits will likely take place.

MR. CHAIRMAN: 9.(a)(1). . .

MR. CHERNIACK: Mr. Chairman, the Minister has now for the first time given us a formula which he said was 55-45. Could he elaborate on the nature of that formula? Just what does that mean?

MR. ORCHARD: The costs undertaken by MPIC and the registration of motor vehicles in the province of Manitoba are shared between MPIC, as a user of that service and the Motor Vehicle Branch as a user of that service.

It has been determined through negotiation between the two parties that roughly 90 percent of the information required on the registration of vehicles is required directly by MPIC and Motor Vehicle Branch. The other 10 percent of the information accumulated on the registration is required strictly by Motor Vehicle Branch.

Hence to arrive at a cost-sharing formula the 90 percent of common information was split in half resulting in 45 percent charge-out by MPIC and then the additional 10 percent of information required only by Motor Vehicle Branch, was added to the 45 percent to arrive at a 55 percent cost-sharing by MVB.

MR. CHERNIACK: What were the terms of reference which this Minister gave to his Assistant Deputy Minister on these negotiations?

Mr. Chairman, I realize maybe I shouldn't mean this Minister, I would have to mean "the" Minister of Highways, whoever he was at the time.

MR. ORCHARD: Well, the basic instructions were to determine the level of information sharing on that registration function, between Motor Vehicle Branch and MPIC and to determine a more equitable sharing of the costs, more equitable than the existing 80-20 formula that had been in existence.

MR. CHERNIACK: Mr. Chairman, I just want it clarified. The Minister says the new formula is 55 percent at the expense of the Motor Vehicle Branch and 45 at the expense of the Insurance Corporation.

MR. ORCHARD: That's correct.

MR. CHERNIACK: And I'm guessing then, or I'm assuming then, that the former formula which he says was 80-20, was 80 percent on the Motor Vehicle Branch. The Minister uses the words "information sharing". Is that the basis, the information required from some, I suppose, data? Is that it? Is it information we're talking about?

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MR. ORCHARD: Well, yes, it's the data elements or information, in layman's terms, that are required by MPIC in insuring a vehicle, as opposed and in conjunction with the information required by MVB, in licencing a vehicle.

MR. CHERNIACK: Well, then the whole cost, the only factor that we've been told about is information seeking enquiries. Is that all? I mean, is that the formula that was agreed upon? That it was the volume of information that would determine the percentage split?

MR. ORCHARD: Well, as the processing of the volume of that information, via the computer, is directly related to the information required by each division, yes.

MR. CHERNIACK: Mr. Chairman, I think I understand the Minister but for the record I want to know, was the entire formula based on the volume of information requested by each of the two parties?

MR. ORCHARD: That is a fair nutshell interpretation of how the cost-sharing formula was developed.

MR. CHERNIACK: Then I assume it has nothing to do with the fact that each has to collect money, have to sort out money, they have to pay premiums in one case and commissions and insurance and licensing itself.

MR. ORCHARD: The fee collection of insurance is a function strictly to Autopac. The fee collection for licensing is MVB and they aren't figured into that formula. We're talking about the registration function, Autopac uses primarily the same information that Motor Vehicle Branch uses in registering.

MR. CHERNIACK: Mr. Chairman, early this year, in January, I sent in a cheque for my driver's licence and in February I sent a cheque for vehicle licence. I assume I sent the cheque to the Minister of Finance. I'm just guessing that that was the payee on the cheque. What happened to that cheque? Who handled it?

MR. ORCHARD: The driver's licence cheque was handled by our department.

MR. CHERNIACK: And when it was received, a certain portion of that I believe was attributable to the insurance. What happened then?

MR. ORCHARD: The insurance portion is sent over to MPIC.

MR. CHERNIACK: Who pays the cost of that?

MR. ORCHARD: The cost of undertaking that transaction is shared between MVB and MPIC.

MR. CHERNIACK: On what basis?

MR. ORCHARD: 55-45.

MR. CHERNIACK: Mr. Chairman, what does that have to do with seeking information?

MR. ORCHARD: Well, in the driver licence there is shared information that both MVB needs and MPIC needs, such as the age, the sex. Those informations are need by both divisions and are shared.

MR. CHERNIACK: So, Mr. Chairman, the cost of collecting the funds is laid out by the government; the cost of separating the funds and shipping the insurance portion of the insurance company is paid by the government, and then the government recaptures 55 percent of that cost from the MVIB, because the insurance

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company has 55 percent of the inquiries. --(Interjection)-- I'll correct that, 45 percent. That's correct.

MR. ORCHARD: Would you just make sure we're talking the same numbers and repeat that please?

MR. CHERNIACK: Yes, I understand the MPIC portion is 45 percent. So the provincial government's. . .well, this department we're dealing with, pays the entire cost of receiving the money, depositing the money, crediting the money to wherever it ought to be in terms of which people have paid for the licence, issues the licence, does the paper work, actually pays for the printed paper, then it calculates how much of that money received for driver's licence belongs to the MPIC, sends it to the MPIC and then collects from the MPIC, 45 percent of that cost. Is that correct?

MR. ORCHARD: That's correct.

MR. CHERNIACK: Mr. Chairman, I want to defer for a minute only to the Member for St. George who disagrees with my interpretation.

MR. CHAIRMAN: The Member for St. George.

MR. URUSKI: Mr. Chairman, hearing the Minister, I hope that the Minister will clarify as to where the staff is and who actually handles the processing of the paper, how the costs are allocated is a different matter. Are all the processing of the documents, namely, the registration, like the kind I am holding in my hand, are they done by MVB at 1075 Portage Avenue?

MR. ORCHARD: Well, Mr. Chairman, in the specific question of driver's licence, which I assumed we were dealing with, that is correct.

MR. CHERNIACK: Thank you, Mr. Chairman. Now, Mr. Chairman, when we send a cheque for vehicle licence, there are some people who pay it in instalments, which puts an additional cost on the MPIC and I think that there is a penalty involved - is that correct? - for the instalment payment. Who pays that cost of processing?

MR. ORCHARD: Okay, there are two things that the Member for St. Johns has indicated. If the person pays his registration in one payment, we are making a similar comparison to the person who purchased the driver's licence and made one payment, okay? And the costs of doing that are shared on the 45/55 with the Motor Vehicle Branch paying 55 percent of the cost of that registration transaction.

MR. CHERNIACK: Who pays that? I mean, who actually pays the money, hires the staff, pays for the paper work, pays for the paper itself?

MR. ORCHARD: In the vehicle registration function, that is MPIC.

MR. CHERNIACK: Then the MPIC does the whole thing and it bills the government?

MR. ORCHARD: It bills the government for it's share, yes.

MR. CHERNIACK: Well, it bills it for 55 percent of that cost. And when there are instalment payments?

MR. ORCHARD: Well, there is where you've got a little different wrinkle. The government is still billed at 55 percent of the costs but the carrying charge, in other words, the surcharge for the split registration payment is 100 percent revenue to MPIC not shareable by MVB.

MR. CHERNIACK: Mr. Chairman, could the Minister tell us what was the total cost of this operation in 1978? Well, let's say in this year.

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MR. ORCHARD: Let me just clarify the information the member wants.

MR. CHERNIACK: I want to know, Mr. Chairman, the total cost to the Motor Vehicle Branch and to the Insurance Corporation. Actually, I'm going to try to get at the total cost for those two units for this licencing operation, I want to get from November 1, 1978 to October 31, 1979. And if I'm not going to get it . . . and the head shaking, I see --(Interjection)-- No, I'm not going to get it. Then I will ask the Minister what is the estimated total cost of the Insurance Corporation and the Motor Vehicle Branch for the year about to end, that is, the year ending March 31, 1980.

MR. ORCHARD: We might be able to do better on that.

MR. CHERNIACK: I see.

MR. ORCHARD: Mr. Chairman, does the Member for St. Johns want the total cost for the fiscal year ending March 31, 1980? Is that what you asked for?

MR. CHERNIACK: Mr. Chairman, I'd like a lot more but I assume I can get that.

MR. ORCHARD: That's what you wanted though?

MR. CHERNIACK: For the time being, that's what I want.

MR. ORCHARD: Mr. Chairman, we're going to have to provide the member with that figure at a later date because we do not have matchable-type figures. There is a wee amount of confusion with the different year ends between MPIC and the province and we can't come up with that figure.

MR. CHERNIACK: Mr. Chairman, I wonder if the Minister would indicate whether he thinks it possible to have it on Monday, say.

MR. ORCHARD: We will certainly try.

MR. CHERNIACK: Mr. Chairman, I appreciate the Minister's indication that he thinks we can have it on Monday. I want to point out to him where it is that I am confused. I would think that the big quarrel would be whether it should be 45/55 or whether it should be 44/56, there would be, I think, a big discussion about what is a fair percentage, and the next discussion would be of what, we have yet to go into, percentage of what. So meanwhile, I am really stuck by the fact that there's this tremendous discrepancy between the insurance corporation's calculation or estimate, and the Minister's. He said between \$1 million and \$1.5 million for a seventeen-month period. The MPIC says \$2.6 million for a twelve-month period. I haven't done the calculation, Mr. Chairman, but I have done this simple calculation. If \$2.6 million is 45 percent, then it is 45 percent of \$5.8 million. That's easy arithmetic, helped by a machine, a calculator.

If it is halfway between \$1 million and \$1.5 million, that is, \$1.4 million, and represents 45 percent, then 100 percent is \$2.8 million; and further to make it confusing, is that according to the Minister's calculation, it's \$2.8 million over seventeen months, and according to the MPIC, is \$5.8 million over twelve months. And just for fun and to show how easy it is to calculate, if we say \$5.8 million for twelve months and we divide that by twelve months and multiply it by seventeen months, it would be \$8.2 million.

Mr. Chairman, on my calculation on what really seems to be simple arithmetic, there is a discrepancy of \$8.2 million as an estimate by MPIC, as compared with \$2.8 million by the Minister. Now you can't tell me that that has yet to be determined, what is so wildly different, and I am quite prepared to leave that now because the discrepancy is so great that there must be an error in the information given to us and I would hope by Monday it will be corrected.

So, Mr. Chairman, I would like to ask the Minister now, on the understanding that we will come back on Monday to get the answer, I would like to ask him now, percentage of what? Now the Minister said that it is their cost . . . I

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understand the formula is based on the amount of information demanded. I suppose that can be estimated in some way. But it has to be a percentage of a certain number of dollars, and I would like to make sure that I understand the dollar charges by each of the two parties. For example, an obvious indication would be whether the Motor Vehicle Branch's charges include a part of the Minister's salary, or a part of general overhead of government, or a part of the Provincial Auditor's charges. Is that part of the calculation?

MR. ORCHARD: My salary is not part of that cost-sharing, no.

MR. CHERNIACK: Well, Mr. Chairman, then we can refine it down to, is part of Mr. Dygala's income shown as part of the charges on the government side.

MR. ORCHARD: No, Mr. Chairman.

MR. CHERNIACK: Then, Mr. Chairman, is no part of administration included as a cost of the MVIB?

MR. ORCHARD: We have got a portion of the Assistant Deputy Minister's salary charged in the MVB appropriation to the Drivers' Licencing function.

MR. CHERNIACK: If what he is saying is that the cost of the MVB is limited to what is on this page, that is Page 66, I can understand that, but that means that there is no cost attributed in that formula to the accounting services provided in the Department of Finance, to the auditing services I've mentioned, to the overhead, the rent attributable to the Portage Avenue building, that it is all confined to Page 66. Is that correct, that is, on the government side?

MR. ORCHARD: The costs, Page 66, on Appropriation 9, a portion of them, that being required for Driver Licencing, are shared, but not every dollar being expended here is being shared with MPIC, only the dollars being expended which involve the Motor Vehicle Branch in driver licencing.

MR. CHERNIACK: Mr. Chairman, then does it mean that if the Estimates shown opposite 9.(b) of \$3.815 million, if that were an actual, would that be the figure? That's for the year about to end.

MR. ORCHARD: Not entirely.

MR. CHERNIACK: Well, what else would there be in addition to that (b) item?

MR. ORCHARD: Well, there would be a portion of the salaries contained in (a).

MR. CHERNIACK: Yes. Anything else?

MR. ORCHARD: Well, if buildings were rented out of the city, they would be included in that. If they were to do with driver licencing and vehicle registration, those would be included in the costs to be shared by MPIC.

MR. CHERNIACK: And they're not shown on Page 66?

MR. ORCHARD: No.

MR. CHERNIACK: They're shown elsewhere, I presume. In the Minister's Estimates?

MR. ORCHARD: Government Services' Estimates.

MR. CHERNIACK: Government Services' Estimates? How about the salary of the Minister for Government Services?

MR. ORCHARD: You'll have to ask him, Mr. Chairman.

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MR. CHERNIACK: Well, Mr. Chairman, what I would like to ask the Minister is that since they have developed a formula, they've arrived at 45-55, can he produce, not now, it's obvious he can't produce it now, can he on Monday let us have the accepted criteria or the accepted categories of payments on both sides which will be recognized. Surely, that has been arrived at, otherwise, is that why we have such a great discrepancy between the two parties?

MR. ORCHARD: Well, Mr. Chairman, not that I want to detract from the Member for St. Johns in his efforts this afternoon, but I think the important observation to make here is that this formula was not arrived at unilaterally. This formula, 55-45 was arrived at via negotiations between MPIC and the Motor Vehicle Branch. They mutually agreed upon what costs were to be shared in each group's operations, and what were not to be shared and they outlined to their mutual agreement what costs they felt legitimately should be shared in terms of Motor Vehicle Branch costs, in terms of MPIC costs, and they decided, after pooling their group of, whatever they may have been, their group of costs to each division. They mutually decided, mutually decided, that a proper share of the cost allocation should be 55-45 versus the 80-20 which had previously discriminated against Motor Vehicle Branch.

MR. CHERNIACK: I understand the Minister's statement. He said it several times; they've mutually agreed and I hope that's correct, and, you know, we will have other opportunities to explore that. But I want to know whether he is prepared to tell us what they agreed on. I understand they agreed on 45-55. I want to know of what, and for that they would have to have agreed on certain costs. I don't think the Insurance Corporation would have agreed to accept part of the cost of the Cabinet or part of the Minister's costs. He says no. An insurance company would not have agreed to accept that. Well, surely, it should be available to us to know what they did agree on. Now, what is there that they agreed on, and as well, on the side of the Insurance Corporation?

I understand that the Item (b) Other Expenditures includes the costs of the agents that are employed by this government, is that correct; a commission paid to agents would be included under Other Expenditures, is that correct, or does that come off the income? Let me just clarify, Mr. Chairman. As I understand it, if I send my cheque with an application for a licence to an insurance agent, I assume he deducts a certain portion of this commission and remits the balance. On the other hand, he might send the full amount and get paid the commission. Where does that show up, is it in revenue or is it in expenditures?

MR. ORCHARD: Agents' commissions are shown, Mr. Chairman, under (b)(2).

MR. CHERNIACK: Okay, and that means it's shown as an expenditure, and I assume also on the MPIC side, that's a chargeable expenditure. I said I assume that, I guess I should have said, would I be correct in assuming that? I want the Minister to answer. Are the commissions that MPIC pays shown as a cost of which the province pays 55 percent?

MR. ORCHARD: Not in our appropriation, Mr. Chairman.

MR. CHERNIACK: Pardon.

MR. ORCHARD: Not in our appropriation, Mr. Chairman.

MR. CHERNIACK: Mr. Chairman, we're talking about the formula, 55-45, of a cost . . . I've been spending all this time trying to find out what the cost is and what are the elements that make up that cost. I understand now that it's 9.(b) plus other things, like rents of buildings outside of government-owned buildings. So I would say, what's the cost on the MPIC side?

MR. ORCHARD: Well, now, I missed the Member for St. Johns comments there in the interim.

MR. CHAIRMAN: The Member for St. Johns maybe could repeat that question.

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MR. CHERNIACK: I'll try, Mr. Chairman. We are told that the formula, 45-55, was mutually arrived at, which means to me, it was not imposed on either side. I'm using that word "imposed" by somebody else and I hope that that stands that way, that it's mutually agreed on that the cost should be shared 45-55. My next question is, 44-55 percent of what, and I'm trying to determine on the government's side of what, and I'm told that it's 9.(b) plus certain other things, like rental of buildings outside of government-owned buildings that are used for vehicle and driver registration. I should have said driver registration, because as I understand it now, vehicle registration is the responsibility of the Insurance Corporation and its costs are thrown in that sharing. So I'm now looking at the statement of expenses incurred as reported by the Insurance Corporation and there, at least, I have a breakdown and, you know, I'd like to know whether these items are included in the insurance companies' side of costs for which the government is paying 55 percent. So, I'm asking the Minister, do you have that, do you know what it is of their cost that you're paying 55 percent of?

MR. ORCHARD: We are paying 55 percent of MPIC's administrative costs in registering motor vehicles, which includes salary, administration of that program, computer time, supplies, office space if there is a specific rental paid out.

MR. CHERNIACK: Commission?

MR. ORCHARD: No. We do not share in the commissions, nor does Autopac share in the payment of licensing commissions that we have to pay, licensing . . .

MR. CHERNIACK: Mr. Chairman, I thought the Minister said that the government's side was 9.(b), plus some other things, like outside rental . . . I asked about commissions, and he said, "Commission is included under 9.(b)(2)."

MR. ORCHARD: The 9.(b) includes the flat fee that we pay our agents for licensing. That is not included in the cost-sharing.

MR. CHERNIACK: It's not included in the . . . Why isn't it included, Mr. Chairman? Why is the government subsidizing that part of it?

MR. ORCHARD: I will attempt to explain this for the Member for St. Johns.

MR. CHERNIACK: Good.

MR. ORCHARD: Before Autopac was on the scene, MVB paid agents a certain fee to write up a driver's licence and registration. That has continued straight through with no sharing of that particular cost.

MR. CHERNIACK: That's for a driver's licence?

MR. ORCHARD: We pay a flat fee of 20 cents on a driver's licence and \$1.20 on a registration, a flat fee.

MR. CHERNIACK: Is that in Winnipeg as well? I don't think Winnipeg had commissioned agents, did it?

MR. ORCHARD: By in Winnipeg, do you mean at 1075 Portage?

MR. CHERNIACK: No, I'm talking about independent agents who receive commissions; that's what he's talking about, 20 cents and some other...

MR. ORCHARD: If the independent agent, regardless of whether he is in the city or in the country, issues a driver's licence, MVB pays him a flat fee of 20 cents; if he issues a registration, MVB pays him a flat fee of \$1.20.

MR. CHERNIACK: Mr. Chairman, before Insurance Corporation, were there any agents of the government in Winnipeg which received a commission for licence registrations?

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MR. ORCHARD: No, prior to the inception of Autopac, there were no agents in Winnipeg.

MR. CHERNIACK: That's my point. I expected to hear that answer. It took a little while to get it. So that the Minister says that back when they paid 20 cents and \$1.20, I think he said; now what do they get paid - and that includes agents in Winnipeg that weren't paid before - what do they get now?

MR. ORCHARD: Twenty cents and \$1.20.

MR. CHERNIACK: They get the same, 20 cents or \$1.20, only there are many more now than there were before.

MR. ORCHARD: Well, it used to be, prior to Autopac, 60 cents for registration.

MR. CHAIRMAN: The Member for Crescentwood. I wonder if we could just change the pace here. The Chair is getting confused, I don't know about the Committee, and maybe the Chairman could stand a relief because he is really... The Member for Crescentwood.

MR. STEEN: The Chairman wants a little bit of a break from the line of questioning that we've had. Getting back, Mr. Minister, to the 45 and 55 percent. This is the administration charge being broken down into two sections, the Public Insurance Corporation picking up the smaller of the two portions, of handling the moneys and the registration. And when you have a person or a department or a branch of a department handling this registration, naturally I would assume that you are not only building in wages of the people who actually handle them, but maybe a portion of the supervisory people, a portion of their wages, like an Assistant Deputy; maybe 10 percent of his wages is being charged to that. Then there's the wages of those people actually handling the process; there's the supplies, equipment, etc.; and a portion of the rent or the space that they're occupying. What you are saying and trying to, I hope, get across the Member for St. Johns, is that there is a cost of doing business and that this is now divided between the Motor Vehicle Registration Branch and the Public Insurance Corporation on a 45 / 55 fee schedule. It's a formula that has been arrived at between your department and the Insurance Corporation. Am I correct?

MR. ORCHARD: That is correct.

MR. STEEN: And the Member for St. Johns is asking, what is that actual dollar figure, and you have given him the indication that perhaps by Monday your people can give the actual dollar figure. Again, is that correct, sir?

MR. ORCHARD: We are going to make that attempt, yes.

MR. STEEN: So I don't, Mr. Chairman, know what further questioning, or why the Member for St. Johns would continue to go any further at this time. The Minister can't give you the actual dollar figures; he hasn't got them broken down for him yet. He's told you the formula; you've agreed that you accept the formula --(Interjection)-- Or you accept knowledge of the formula; you may not agree with that split but you want to know the actual dollars and he can't give them to you today. So what point is there continuing to harp away at it?

MR. CHERNIACK: Mr. Chairman, may I just help the Member for Crescentwood. The Minister undertook to give us the dollar figures. What I was now probing for was to find out what are the nature of the costs that have been accepted as being costs which are shareable, the nature of the costs, and if he would undertake to give that, or had done so half an hour ago, we would have saved half an hour because that's what I am trying to find out. There is a formula; we understand that. That formula applies to certain nature types of expenditures.

MR. STEEN: You want to know what services qualify for those.

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MR. CHERNIACK: Yes, exactly. I thank the Member for Crescentwood. I wish he had been here half an hour ago.

MR. ORCHARD: Mr. Chairman, I want to thank the Member for Crescentwood for casting light upon the Member for St. Johns' rambling line of questioning. If he had asked me exactly what he wanted, he would have got an answer.

MR. CHAIRMAN: The hour of 4:30 having arrived, I am leaving the Chair for Private Members' Hour. Have a good weekend. We might see you next week. Committee rise.

SUPPLY - NATURAL RESOURCES

MR. CHAIRMAN, Abe Kovnats (Radisson): This Committee will come to order. I would direct the honourable members to Page 75 of the Main Estimates, Resolution Number 100, Item 1. Executive Administration, (a) (2) Salaries - the Honourable Minister.

MR. RANSOM: Thank you, Mr. Chairman.

MR. ENNS: Mr. Chairman, just prior to the adjournment hour for noon, I was prompted to rise and make a few comments, largely because of the debate that had ensued between the comments made by the Honourable Member for Transcona. Mr. Chairman, I appreciate that we have an opportunity on this general item to talk about the affairs of the Department of Natural Resources and I was really concerned that the honourable member would choose to use this occasion to really demonstrate once again the kind of hang-ups that my friends opposite have.

Mr. Chairman, he did not choose to talk about whether or not the resources were being properly extracted from this province. He did not choose to worry about the manner in which this government or this Minister is managing those resources. He was not worried about how Abitibi was behaving in terms of its corporate responsibilities to the people of Manitoba, whose resources they are and will always continue to be. It was simply wrong, from his point of view, that private sector should continue to have an involvement in the resource development of this province.

Mr. Chairman, I'm going to make that comment from time to time during the course of the Session. I'm going to research these kind of comments that all members opposite make, because, you know, they pay a certain amount of lip service to what we call, talk about, a mixed economy. But if honourable members opposite will just read their own speeches over a period of time, over a year, you know, they will find that that's not the case. Oh, Mr. Chairman, they make the kind of general observations about the desirability of supporting small business or something like that, but when, Mr. Chairman, have you heard any favourable comment from members opposite that involved the private sector?

So, Mr. Chairman, when they talk about placing themselves, or parties putting themselves in doctrinaire positions, and if you want to talk about the kind of polarity that has happened in this House, it's the kind of a speech that was just given on this item by the Honourable Member for Transcona that simply demonstrate that. Mr. Chairman, in other words, there is no place for the private sector in resource development as far as members opposite are concerned.

MR. FERGUSON: Or anywhere else.

MR. ENNS: Well, Mr. Speaker, that's a very appropriate comment coming from the Member for Gladstone, because if you put them together . . . the other day it was the Honourable Member for Lac du Bonnet that said what we need is one oil company, you know. On another occasion, if it's a matter of finances or something like that, it will be the critic of Finance saying, what we need is one financial house. When it comes to other sources, we know that in Education, they chastize our Minister of Education, our government, for having in a small way, contributed to the support of private and parochial schools in this province.

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So, Mr. Chairman, if I can have your attention for a moment. I know that you are distracted by the distinguished company in the Speaker's Gallery this afternoon, but I do ask you, Mr. Chairman, to pay me the courtesy of your full and rapt attention while I am addressing this important question. --(Interjection)-- I happen to believe that your wife is very lovely too and she's distracting me right now, but. . .

MR. CHAIRMAN: Order please. The Honourable Member for Logan on a point of order.

MR. WILLIAM JENKINS (Logan): Yes, Mr. Chairman, I must rise on a point of order in your defense, Sir. That it is not parliamentary okay to criticize the Chair and I would ask the Minister to not cast reflections upon the Chair.

MR. CHAIRMAN: Thank you very much.

MR. ENNS: Mr. Chairman, let me hastily withdraw any suggestion of chastizing you, Sir, in the Chair. For a moment I thought that the honourable member was rising on a point of order because he thought Mrs. Kovnats was out of order by being with us this afternoon. But if that's not the case, Mr. Chairman, then I'll proceed with my philosophical debate this afternoon on the subject matter at hand.

Mr. Chairman, the other matter that prompted me to rise, just briefly of course, was the very peculiar double standard displayed by the Honourable Member for Transcona. Mr. Chairman, on the one hand, he chastized this government, he chastized the role of one, Harry Oppenheimer, who has investments in South Africa and has investments in this country, as being the kind of private investment, the kind of private involvement that we could do without. Mr. Chairman, I think he made that point very plain.

Mr. Chairman, I have no intentions of protecting one, Harry Oppenheimer, and/or his business and labour practices in other countries of this world. But, Mr. Chairman, obviously, in response to the Honourable Member for Minnedosa, it doesn't trouble the members opposite or the particular Member for Transcona at all to use and borrow his money and to pay him 29 percent interest if it's called upon in today's money terms.

Mr. Chairman, I call that a double standard. The Honourable Member for Transcona suggested it was quite agreeable to use Harry Oppenheimer's ill begotten wealth to build our hydro dams, but somehow, it was quite out of order and quite immoral to have that kind of an entrepreneur involved in business practices in the country. You know, Mr. Chairman, I call that a peculiar double standard, a peculiar double standard. And particularly, Mr. Chairman, if we're talking about resources, and he was relating that to hydro. It didn't bother him at all; doesn't bother his morality, doesn't bother any of the opposite members' morality, to instal into our hydro plants Russian-built turbine generators. Ah, the member smiles; but we're talking about morality. He is worried and I worry. I'm worried about the racist policies of South Africa; I'm worried about the labour policies of South Africa.

But I can also tell the honourable member that those turbines were built in factories by slaves, not in the 1800s, not in 1920; in 1950 and in 1960 and in 1970. And thousands, millions, died in the Gulags of Siberia, where those particular turbines come from. But that's not a problem of morality for the Honourable Member for Transcona. No, as long as we put South African wine off the liquor lists, as long as we, you know, we selectively choose where we wish to wax indignant. But, Mr. Chairman, I'm off the subject matter. My problem with the Honourable Member for Transcona is that he, of all members, should have challenged this Minister as to how the private sector, with whom he has made a grievance, is going to in a responsible way extract the resources to the benefit of the people of Manitoba. He should have been concerned about how the people of Manitoba are being guaranteed of a legitimate and fair return for those resources. That, surely, is the question. Now, if the honourable member is saying, as he really said, that there is no way that the private sector can be involved in the extraction of those resources, that's fine, we accept that but, Mr. Chairman, then let it not be said that it is those of us on our side that choose to take such extreme doctrinaire positions.

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Mr. Chairman, the history of the Conservative Party, the successive Conservative governments since the formation of this province has been one of a true appreciation of the mixed economy. But, Mr. Chairman, I challenge you and I will, I'm doing the research. I challenge you, I challenge you, Mr. Chairman, or any members opposite in the course of the last year, the last two years, that they can show me in Hansard a statement that recognizes the role of the private sector in anything in this province. Mr. Chairman, it's not there, it's not there. Aside from the kind of general, you know, motherhood type statements that says, "Well, certainly, we're in favour of a mixed economy; certainly we want to do something for the small business." And I think it was my leader or somebody else suggested in this House the problem members opposite have is, when does the small business become a medium business, and when does it become . . .

MR. CHAIRMAN: To the Honourable Minister, I would suggest that if there could be some reference to natural resources, the subject under discussion, it would be appreciated.

The Honourable Member for . . . on a point of order.

MR. WILSON PARASIUK (Transcona): In order to aid the Minister in his research, yes, it is. No, I'm asking . . .

MR. CHAIRMAN: The Honourable Member for Transcona.

MR. PARASIUK: Yes, I would like the Minister, in doing his research, to look into questions that were asked by myself and other members on this side of the House with respect to price fixing by large companies, and the selling of gasoline, which is a natural resource - price fixing that was taking place a year or two ago - and we asked about the impact of that price fixing by large companies on small independent retailers of gasoline, because we were interested in the position of the small independent retailers of gasoline for small businessmen and, in fact, are being threatened by the large multinational oil interests. Would you check into that as part of your research?

MR. SPEAKER: The Honourable Minister.

MR. ENNS: Mr. Chairman, in responding to the natural resource from Transcona, I want to indicate to him that, of course, is precisely what I was making. They will very cleverly, you know, very cleverly from time to time make the motherhood kind of statements in support of a sector of the private business, again carefully weighing where they are challenging big corporate business. You know, just so attackable in support of the physical small business or independent business. But, Mr. Chairman, I bide by my words, I will have and will be researching the statements made, particularly by the Leader of the Party, particularly by the former Minister of Industry and Commerce in this respect, and will document the absolute lack of concern, of support, for the private sector in the economy of this province.

And coming back to the question before us, Mr. Chairman, Natural Resources, that was demonstrated this morning, just prior to the noon hour adjournment, and in the address by the Honourable Member for Transcona, which did not for one minute, not for one minute did he worry about how the Minister was handling the department. He did not for one minute worry about how certain responsibilities, certain agreements were going to be carried out to the benefit of the people of Manitoba, in this province.

He did not worry for one minute as to whether the level of return to the province and to the people of Manitoba was satisfactory or not. These, Sir, are the legitimate kind of things that I would suspect from honourable members. What we got, Mr. Chairman, was an harangue of Harry Oppenheimer. That's what we got, an harangue of Harry Oppenheimer. Well, God bless Harry Oppenheimer, wherever he is. If he's had a few problems in his life, I'm sure that they probably are deserved.

A MEMBER: Who's Harry Oppenheimer?

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MR. ENNS: Well, I don't know, but the Honourable Member for Transcona raised that matter as a serious concern in the Estimates of my colleague, the Minister of Mines and Natural Resources, Mr. Chairman.

MR. ENNS: Mr. Chairman, in addition, of course, what the honourable members should recognize, that within the space of a few short - well, I call it months because the legislation was only passed last session - the turn-around that has taken place in this province, in terms of exploration, in terms of real potential forward movement in developing those resources, that is not being recognized. That is not being recognized.

Mr. Chairman, I said that at the time the former Minister of Mines and Natural Resources introduced those confiscatory taxes into this legislation, and I said, I don't question the ability of the public sector to mine for nickel, to explore for oil, to develop our resources. There's no question that we have got the brains or the ability of doing that. The difficulty is, that we do not have the political courage, in a free and open society, to extract the kind of money - the tremendous amounts of money - the high risk money, that don't show immediate returns. We will always find other areas to put those moneys, into and governments of all descriptions will be under pressure to attend to the immediate needs, the social needs of the day, as we were faced within the Department of Education and at our meeting with School Division No. 1 at noon today, as the Minister of Health will face them every day.

So the decision of putting \$50, \$60, \$80 million into one dry hole after another dry hole, just is not made; and, Mr. Chairman, that is precisely what happened. That is precisely what happened. The oil companies just simply said, it wasn't a question of whether the oil is there or not there, it's just that we created a climate that they weren't prepared to look for and operate in, and so they simply didn't operate in it.

Well, I'll let the Honourable Minister - and I'm sure he will, I'm sure that that will highlight one of his presentations in the course of his Estimates. The fact is that the kind of encouraging activity that's taking place in this province - not just in oil in southern Manitoba, but throughout our more important mineral belt of the north, Mr. Chairman, the monies, the returns to the people of Manitoba are going to be substantially greater as a result of this Minister's and this government's policies.

Now, Mr. Chairman, I accept the proposition that the Honourable Member for Inkster can argue that point. Mr. Chairman, that is precisely my point. That is the kind of argument that the Member for Transcona should have argued about, but instead we got the real... I'm sorry, it's just that you accuse us of this kind of doctrinaire, you know, clichéism. I just want the Honourable Member for Transcona to recognize how well he suited that description of a socialist in his comments before the noon-hour adjournment. No concern about the management of the resources; no concern about the level of profitability of those resources as far as the people of Manitoba were concerned; no concern about the techniques that are applied because after all, it's a very important facet of the Minister's responsibility that we don't - whether it's public or private - that we don't mine our resources in such a way that those that are renewable are no longer there for future generations; that the Minister is charged with the responsibility of managing those resources in such a way that as yet unborn generations of Manitobans will be in a position to enjoy them.

That wasn't a concern of the Honourable Member for Transcona. The concern was solely the basis that the private sector. . . his particular hang-up, of course, was the Abitibi Paper Company - was involved in a joint venture, you might say, Mr. Chairman, because it is a joint venture with the province. It is a joint venture with the Department of Mines and Natural Resources, that agrees under the management contract to manage, to supervise the harvesting of those resources in such a way that Manitobans have jobs, in such a way that all Manitobans get a return from that resource, and in such a way that that resource will continue to be there for years and years and years to come, truly renewable. But honourable members opposite, their only concern is that some wicked, some private enterprise, particularly if it happens to be a big company, is involved in it.

Well, Mr. Chairman, let me tell the Honourable Member for Transcona, that great natural resource from Transcona - sir, you told me to refer to Natural Resources

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every once in a while, so I'm following your admonition. Mr. Chairman, that is the kind of doctrinaire position that honourable members - I'm not sure that they're always aware of, you know, I'm not sure that they are consciously aware of what they are presenting to members on this side of the House, but I want to assure him that I'm aware of it, that I will research carefully the speeches made by the Leader of the Opposition, research carefully the speeches made by some of the other spokesmen from time to time on matters of economic and industrial development, and I will find what I know is there, because while none of us are perfect attenders in this House, I do attend in this House fairly often and I find most speeches contributing and interesting. And it's from that position that I make that general statement now, that if members opposite really researched their speeches over the past course of a few years, they will find out how one-sided they are, how little they are concerned about that very important - in fact, Mr. Chairman, that's a point of argument between us - we say it is the most important feature of our economy, namely, the private sector.

MR. CHAIRMAN: The Honorable Leader of the Opposition.

MR. HOWARD PAWLEY (Selkirk): Mr. Chairman, I believe that we have probably touched upon one of the most basic differences that divide government from the opposition. I believe that the most basic difference does involve the development of our natural resources; admittedly there is a distinct and a clear difference of philosophy and approach.

Mr. Chairman, I listened to the Minister speak in pertaining to the future benefits of our natural resources, but I could not help but reflect upon the Cabinet of which he was a member, which undertook the agreement pertaining to CFI, the development of our natural resource, the forestry resource, in that respect, and the concessions that were made to Churchill Forest Industries, that it would be the public - the public that would contribute the roads, the public that would contribute the re-forestation, the public that would contribute the fire-fighting - and in return, an international private outfit reaped the benefits.

That is the definition by which the Minister arrives at insofar as providing the benefits of our natural resources to the people of the province of Manitoba. Mr. Chairman, if that is the definition that the Minister and his group use, then we want none of it, none of it. Mr. Chairman, I said that this was probably the most central issue. Only a few moments ago, both government members and opposition members have been confronted with genuine concerns by trustees and by parents pertaining to education costs. Every day, we are confronted with demands pertaining to health costs and the need for improved service, the need for improved housing. But, Mr. Chairman, until we ensure that we undertake a program of action to realize a maximization of benefit from our natural resources, we will be unable to undertake the type of social benefits that the people of Manitoba expect and properly deserve. Natural resource policy must be an important policy an area of direction.

And, Mr. Chairman, it's interesting how, when my colleague, the Member for Transcona, dealt with respect to the role of multinationals and their involvement in the province of Manitoba pertaining to the development of our natural resources, the Member for Lakeside, the Minister of Public Works, deliberately chose to accuse the Member for Transcona of attacking private enterprise. It's interesting how thin-skinned and how sensitive honourable members are across the way to need reference to the multinationals and their role in the province of Manitoba. They equate the role of the multinational with the role of the small private entrepreneur. They equate the maximum benefit of our natural resources with the involvement of the multinational corporation in the development of our natural resources in the province of Manitoba. To them and their doctrinaire blinkers, there is no room for the development of the public sector, and the participation of the public sector.

I just regret, Mr. Chairman, that we cannot ensure that there is a policy that is developed, that is prepared to use the public as well as the private sector; and to use the public sector in order to ensure that there is the exploration, there is the development and the return to the public of that which they justly deserve. The Natural Resources of this province belong to one million Manitobans, not to a few in Manitoba, not to a few outside Manitoba.

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And I only wish the Minister of Natural Resources - and I know it's too much to expect - but some day we shall have a Minister of Natural Resources again in the province of Manitoba that will recognize that the natural resources of this province ought to be developed, not for the benefit of a few, not for the benefit of privilege, but for the benefit of all Manitobans, to ensure maximum return.

And, Mr. Chairman, I do not back away from this issue, because this is a most central issue I believe that is confronting Manitobans. All the promises that we can make pertaining to education, health and other improvements will fall by the way if we are not prepared to ensure that we demonstrate some courage and initiative in respect to the techniques that are used to develop resources.

The Member for Inkster and the former government were prepared to utilize equity involvement, joint equity involvement, in the development of our natural resources; were prepared to utilize the public sector in the development of natural resources; were prepared to increase the royalties in order to ensure that our natural resources were developed.

And, Mr. Chairman, the effort that the Minister for Public Works tries to leave an impression that some way or other there's been a turnabout in mining development in the province of Manitoba, Mr. Chairman, is a total and complete falsehood. And the Minister of Public Works is aware that it is a falsehood.

Mr. Chairman, I look forward to the day when we will be able to undertake the type of thrust which Saskatchewan is embarked upon, to ensure for example that the potash resources of that province are developed to a significant degree by the public. To be able to - and I pay tribute - pay tribute to the courage and the thrust of the Saskatchewan government in undertaking that. That would not have happened under a Conservative government in the province of Saskatchewan. Yet we find now, Mr. Chairman, because of that thrust, an increasing percentage of the budget in the province of Saskatchewan is not raised by taxation, but is raised as a result of the inflow of revenues from the potash and other publicly developed natural resources in that province.

That's a direction we should be going. Not to increase taxation, whether it be at the local or at the provincial level upon those who are least able to afford it, but to ensure that those natural resources that belong to us all are used for the benefit of us all; that they are kept in this province for our benefit; not to pursue the route of CFI and the precedent we have there. Not to proceed by way of the precedent we have in respect to Abitibi, where small contractors had to come on bended knee - talk about private enterprise, talk about encouraging private enterprise - what did this government do in respect to Abitibi? Small private contractors now have to go to Abitibi on bended knee to obtain from Abitibi concessions in order to develop the timber resources of eastern Manitoba. That's their idea of private enterprise, Mr. Chairman, to turn increasing benefits over to the Abitibis and to the multinationals.

Mr. Chairman, there is so much that we can undertake. And I want to just add a further comment. Not only do I believe that we must establish a policy to ensure the benefits of natural resources or return to the provincial jurisdictions, but I believe that it is increasingly, or ought to be increasingly apparent that the fragmentation of have and have-not provinces and provincial jurisdiction pertaining to natural resource policy, is contrary to the best interests of Canadians.

I would hope that the government across the way would take a determined position vis-a-vis Loughheed in an attempt to continue to monopolize increasing amounts of the wealth of this country because the resources happen to be in the province of Alberta. The resources of Canada belong to all Canadians, not only to Albertans, but to all Canadians whether they be in Prince Edward Island or B.C.

And I say to government members across the way, just because a fellow colleague is the Premier of the province of Alberta, be prepared to stand up to him. Be prepared to say that those oil and natural resources in the province of Alberta ought to be shared equitably across the length and breadth of this land. Don't be simply little "pups" following along behind Peter Loughheed in Alberta. That's all that we've been observing for the last 18 months by way of policy from the First Minister of this province and from the Minister responsible for Natural Resources. --(Interjection)-- You're not taking a lead on behalf of Manitoba. The lead that you provide and the example that you provide on behalf of Manitobans is a lead in the interests of your Alberta colleagues. --(Interjection)--

Mr. Chairman, let me make this commitment. . .

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MR. CHAIRMAN: Order please. Order please. I would hope the honourable members would give the courtesy of whoever is standing in his place speaking and being recognized by the Chair, the opportunity to complete whatever he has to say, he or she has to say.

The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Chairman, I'm glad the Member for Minnedosa raised the question of Saskatchewan, because I want to assure the Member for Minnedosa that when a New Democratic Party government is elected to the province of Manitoba, we will not be "pups" trailing behind Allan Blakeney in Saskatchewan. We will differentiate from Allan Blakeney of Saskatchewan pertaining to this particular issue as to the distribution of the benefits of natural resources.

MR. CHAIRMAN: The Honourable Member for Minnedosa on a point of order?

MR. BLAKE: No, I wanted to ask a question of the Leader of the Opposition.

I merely ask him what price Allan Blakeney in Saskatchewan was charging for a barrel of oil, and he goes into a great tirade about Saskatchewan . . .

MR. CHAIRMAN: Order please. Order please. Would the Leader of the Opposition accede to a question?

MR. PAWLEY: I don't quite discern the question. Was it a point of order, Mr. Chairman?

MR. CHAIRMAN: No, it was a question. --(Interjection)--
The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Chairman, what the Member for Minnedosa - and I thank him - has done, is really proved the point which I was making. The member thought by raising the question of Allan Blakeney in Saskatchewan, that some way or other we would back away, that we would place our party ideological bent ahead of the interests of Manitobans. But, Mr. Chairman, we are not prepared to do that. If Allan Blakeney toddles along with Peter Lougheed in oil resource policy, it doesn't mean that Manitoba ought to toddle behind Saskatchewan and the province of Alberta in resource policy. Mr. Chairman, what is important, and what honourable members miss across the way, is that if we are to have a heritage in Manitoba, a heritage for our children and our children's children, we must be prepared to utilize the private sector where it's feasible, the public sector where necessary in order to ensure that natural resources are developed for this province. Unfortunately we have a government that has ideological blinkers; a government which, when a member raises a question of multi-nationals, immediately in a knee-jerk sort of fashion, they consider that to be an attack on the entire private sector.

Mr. Chairman, what we need is some leadership in this province and we're not getting that leadership. And I regret to say that until that leadership is provided, Manitobans are not going to enjoy the social benefits that are needed in this province at the present time.

MR. CHAIRMAN: Would the Honourable Minister care to bring in his staff at this time? We are on the next item. We will proceed and they can come in whenever they arrive.

The item under discussion is 2. Salaries--pass - the Honourable Member for Rupertsland.

MR. HARVEY BOSTROM (Rupertsland): Thank you, Mr. Chairman. I would like to make a few comments regarding some of the contributions of the Honourable Minister of Government Services. I found it rather humorous in places, in the fact that he said that they recognized the public sector has the ability and the means to manage and develop and harvest the resources of the province of Manitoba, but he candidly admits that his party and his government doesn't have the will, the political will, to do what is right and a logical thing to do.

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

MR. RANSOM: Mr. Chairman, my understanding, Mr. Chairman, is that we are dealing now with the item of Salaries under the Executive and General Administration.

MR. CHAIRMAN: To the Honourable Minister, that's my understanding also. I was listening to the honourable member to see whether he was going to be getting into, with a preamble, into this particular item. To that point, I hadn't quite established in my mind whether he was in order or out of order.

I would suggest to the Honourable Member for Rupertsland that the item under discussion is Salaries. I'm not ruling you out of order, I'm just suggesting that it is under discussion.

The Honourable Member for Rupertsland.

MR. BOSTROM: Thank you, Mr. Chairman. I understand, from this section, that we are talking about the general administration of the department, which relates to the philosophy and direction that the department is taking, and while we're not discussing every dollar which we are discussing under this item, certainly general comments have been made all morning and this afternoon on this item. I would expect to be able to follow that precedent and be able to continue to make general comments on the policy . . .

MR. CHAIRMAN: To the honourable member, what was carrying on up until now was a reply to the Minister's opening remarks. We are now under investigation of the department, and I would hope that the honourable member would stick to the Salaries, which is under discussion.

The Honourable Member for Rupertsland.

MR. BOSTROM: Mr. Chairman, just on that point, I don't recall us having passed an item as such, and therefore I'm following in the general reply to the Minister's opening remarks.

MR. CHAIRMAN: To the honourable member, the item was not passed, which was (1) Minister's Compensation. I had moved to 2. Salaries, which was the item under discussion. We have not passed any items up until this point. The discussion has been reply to the Minister's opening remarks. We are now under investigation of the Department of Natural Resources, which comes under the heading, 2. Salaries.

The Honourable Member for Rupertsland.

MR. BOSTROM: Mr. Chairman, I believe that I would be in order, then, to discuss the general policy thrust of the government under this section, since we are talking about the administration of the department and the administration of the department is that which I would believe is carried out by the Deputy Minister, who comes under this section, and he in fact would be carrying out the policies as established by the Minister of the department, and that reflects the general policy of the government.

MR. CHAIRMAN: I will allow you to carry on.

MR. BOSTROM: So, Mr. Chairman, I believe that I can discuss things like the policy of the government with respect to the development of natural resources, and one of those policies is their admitted lack of political will, their lack of will to do those things which we believe on this side of the House to be necessary. This opposition group believes that we should be developing our resources in such a way as to maximize the returns to the people of Manitoba. We believe this government is not doing that, has reneged on its responsibilities even in those areas where they had the opportunity to continue to do those things that we were doing.

Let me give you a few examples. One is the area of the Abitibi agreement which was referred to earlier. We have a case in point where the government had an opportunity to continue an agreement which was in place, whereby the province was getting a fairly substantial return from that resource. They went about and

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negotiated a new agreement whereby they reduced the amount of revenue to the province of Manitoba very substantially, and even more serious than that, gave over the control of that resource to this company, which has made it very difficult for the small business people in the area. We hear the member's comment about this party and our side of the House not being concerned about the small business people. Well, Mr. Chairman, we have expressed greater concern and interest on behalf of small business people in this province than their group has in office.

Mr. Chairman, it is obvious from this case in point, with the Abitibi Paper Company, that the Conservative Government had no concern expressed, and has shown no concern for the small operators in the forest industry when they signed an agreement whereby they were giving control of the east side resources, forest resources, to the Abitibi Paper Company. They showed no concern for the small operator who is trying to make a business; and I might add, Mr. Chairman, many of these small operators are farmers who operate a forestry business in the winter season to supplement their income from the meagre farm income which they are able to receive from operating small farms.

I think it is regrettable that this government and the Progressive Conservative Minister of this department saw fit to ignore that group, and to place all of their interests with the multinational corporation, the Abitibi Paper Company. Mr. Chairman, that company does not need the support, does not require the support, of a government to further their interests. They are plenty powerful enough on their own without needing a big brother government to look after them. Mr. Chairman, that's what we have in this province at the present time. We have a Progressive Conservative Party in power that is not prepared to protect the interests of the disadvantaged in society; they are not prepared to protect the interests of the independent family farm; they are not prepared to protect the interests of the family and small business people in this province. They are only prepared to protect the interests of the large corporate interests. And I use the example of Abitibi because it relates directly to this Minister.

We can refer also to the general policy this government has shown towards mining, where they have reduced the royalties that are coming to the people of Manitoba. They have actually reduced the revenues from the mining sector, without any need to do so. They have not attracted any people into this province by doing that. --(Interjection)-- Well, you announced it in the House; you made a big production of reducing the revenues from the mining sector. And then you had your meetings with the Winnipeg School Board and you told them you have no more money. Well, Mr. Chairman, you made your own nests --(Interjection)-- I'm sorry, I'm sorry, I attributed to the Chairman something which he didn't do himself. But the government has certainly created a problem for itself. --(Interjection)-- We will see what they hatch.

Mr. Chairman, in reference to the comments by the Minister of Government Services, he said they wanted to get a fair return from their resources, and yet he doesn't seem to realize - he claims that he hasn't spent all his time in the Legislature; I suggest he hasn't even looked very carefully at the actions which his government has taken. Because not only has it been accomplished by his government to reduce the revenues from the resources of Manitoba, but they have even bragged about it. The First Minister will get up in his place and say what wonderful things they have done by reducing the taxation on the mining companies and reducing the taxation to the Abitibi Paper Company. He claims that we had a gun to their head when we were in government. Well, Mr. Chairman, we were finally getting a fair return from that company, and this government has returned the royalty rate to the 1925 level. Can you tell me what other company, business, family, individual, anybody, who is able to have a price in 1980 that is the same as that which was established in 1925? I suggest there is. . . --(Interjection)-- Crow rate, yes. Well, Mr. Chairman, the honourable members want to abolish the Crow rate too.

They seem to be exhibiting an approach to resource development in this province, Mr. Chairman, which is very inflexible. And I call it inflexible because they only want to allow for private development, and even within that concept they are inflexible, because they seem to only want to allow the major large interests to be involved in that private development. They are not concerned about the small independent fishermen; they are not concerned about the small independent

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company working in the forestry sector; they're not concerned about the community groups that are operating within the wild rice area. They are at the present time I believe, changing the policy on wild rice so as to allow greater leasing by individuals who really don't require the resource, people who are already making a good income from other sources. And certainly in the mining areas, as I have already said, they are putting all their cards in the same deck with the large corporation and not attempting to further the interests of Manitoba at all.

We brought a case to the attention of the Minister last year during the Question Period, where a major corporation was involved in mining exploration in northwestern Manitoba, a fairly major indication of a uranium find, and that company admitted that the only reason they were in that area exploring is because the Manitoba government under the NDP, had agreed to go in on a partnership basis with them. As a result of that exploration, Mr. Chairman, they have discovered a fairly significant uranium resource in that area, which is being further examined, as I understand it.

But I would suspect, and I am not sure about this, we'll have to follow this up in questions to this government, but I would expect from the actions so far of this government, that they would attempt to dispose of their interests as quickly as possible in that venture, so as to not allow the government to be able to take advantage of the profits to be made from the development of that resource. Because that would be an embarrassment to them, Mr. Chairman; that would make a public involvement in the mining industry prove to be very logical and very profitable for the people of Manitoba, and they would not want that to be the case, because that wouldn't back up the story that they have been trying to give the people of Manitoba, that the public should not be involved in mining exploration, should not be involved in the development of mines, should not be involved in any way in resource development in the Province of Manitoba.

That's the inflexible approach which this government is taking towards all resource development, and I say that it results in control and concentration of control by a few international major corporations, and over time, it will mean less and less revenues to the Province of Manitoba, from our own resources which we own and which we should be getting more benefit from.

Mr. Chairman, I want to contrast that with what would be the New Democratic Party approach when we are the government, which I expect we will be as soon as this group decides to call an election. Mr. Chairman, we would have taken a flexible approach to development, contrary to that which the Honourable Minister of Government Services would like to have people believe. We believe that there should be private initiative and private industry where it makes sense, and we would support that, do support it, and have supported in the past. We would look for a partnership of private and government where it is feasible, such as we negotiated in the case of the development in northwestern Manitoba, where I indicated there is an indication of a fairly major uranium find and, Mr. Chairman, we would do something which is even more progressive than that, and that is that we would take initiative as a government to develop resources where it makes sense and where it is desirable from a socio-economic point of view.

And there are plenty of cases, Mr. Chairman, where it does make sense for the government to be involved completely in the development of a resource. My leader has indicated that the Saskatchewan example is a case in point where the government decided that they were going to be the major developers of the potash industry. They fought an election on that issue and they won more seats in that province than they had ever won before. They won seats in areas where they had never won before. Because, Mr. Chairman, they were able to successfully argue, and I believe it's a valid argument, and one which is exceedingly popular with the people of Manitoba or Saskatchewan, and that is, that the revenues from resource development can be used to pay for necessary essential services in our province. They can be used to pay for health care, they can be used for education, they can be used to pay for social programs, for assistance where assistance is needed. And, Mr. Chairman, that means that these programs can be financed without increasing the individual taxes on individuals, small companies, and so on.

And this, Mr. Chairman, is the direction which we should be moving. It is popular, I think, for the government to try to make the case that individual taxation on homeowners or income taxpayers and so on, is not something which people

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want to see. But, Mr. Chairman, this government has been exploiting that reluctance, and it's certainly well deserved, reluctance on the part of individuals to have to pay more taxes. But I believe that more revenues can be achieved from the resource sector, and this government does not seem to have, as the Honourable Minister of Government Services already indicated, it does not have the political will to do that. But, Mr. Chairman, the New Democratic Party has the political will to do that, and we will be doing it. And, Mr. Chairman, in the area of - whether it's in mining or forestry development - we will be looking at ways in which the government can either be a participant with private enterprise or we will be doing it directly through government development, if necessary.

I would like to hear the Minister's comments on these things. So far, I believe a number of speakers have commented on his opening remarks, and have made some fairly significant comments with respect to this government's lack of policy, or its misdirected policy, and so far, we've had absolutely no response from the Minister. So I would sit down at this point and hope that the Minister would respond to these comments.

MR. CHAIRMAN: (2)--pass; (3)--pass.

The Member for Rupertsland.

MR. BOSTROM: Well, Mr. Chairman, I believe that it would be incumbent, at least upon the Minister, if he doesn't have the political will to get up and respond to comments that have been made, that he would at least tell us what the item is for which we are being asked to provide funds.

MR. CHAIRMAN: (3). The Member for The Pas.

MR. RON McBRYDE: Mr. Chairman, I wonder if the Minister, if he's that willing to deal with the comments of others, if he would at least tell us here, under section (2) what the salaries are for and what this comprises?

MR. CHAIRMAN: The Honourable Minister.

MR. RANSOM: Yes, Mr. Chairman, there are 10 staff man years included in that item, including the Deputy Minister and executive assistant to the Minister, administrative officer, administrative secretary to the Minister, administrative secretary to the Deputy, and two administrative secretary positions vacant, an accountant position which is vacant, and an administrative secretary in the Minister's office.

MR. CHAIRMAN: (2)--pass. The Member for The Pas.

MR. McBRYDE: Mr. Chairman, I wonder if one Mr. Paul Jarvis is under this section or whether he's still in the Minister's department.

MR. RANSOM: No, he's not, Mr. Chairman.

MR. CHAIRMAN: The Member for Rupertsland.

MR. BOSTROM: Mr. Chairman, without alleging anything wrong with the relationship, I wonder if the Minister could indicate if he has had in the employ of his department, a Mr. R.R. Andrews, and if he is now in the employ of the department or if he has been in the employ of the department and what, if anything, this Minister has had to do with this individual by way of business and/or professional relationships.

MR. RANSOM: Yes, Mr. Chairman, that individual was employed on a contract basis, I think, from mid-October, 1978 through until sometime in May of '78 on a full-time basis - '79, pardon me - and then on a part-time basis finishing up some work between that time and approximately October of 1979. Since that time he has not been employed by the department. If the honourable member wants to know what relationship - that business relationship that we used to have, is that he and I used to be in the consulting business together, and we continue to operate a

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tourist lodge in Ontario. It's called the Frolander Island Lodge, Mr. Chairman, on Lake of the Woods.

MR. BOSTROM: Well, Mr. Chairman, I don't mean to imply anything wrong with that relationship and/or the fact that the Minister has employed this individual in his department. I simply bring it up as a point of information, because I think that the Premier of this province has, in the past, brought up relationships such as that, appointments such as that kind of an appointment, and intimated that there would have been something wrong with that kind of an appointment. I don't believe we, on this side, would challenge the Minister having had a business relationship with someone and having him employed later by the department, or even having a continuing business relationship with someone, and having him employed by the department doing something for which the individual in question has professional and technical qualifications to do the job. So I, in no way, am challenging the Minister on that. I simply wanted to have that on the record, because I think that in the past our government has done things of a similar nature to that without having to be insulted for it, and I think that the present government may continue to do things like that without having us challenge them on this in any way, alleging any unreasonable action on the part of the Minister.

Can the Minister indicate, likewise, if he's had any business or professional relationships with Messrs. Hayden, Doyle, Psikla and Surrendi, who are new members in his department?

MR. RANSOM: Well, I'm not sure that question is in order, Mr. Chairman, but I have no hesitation in saying, "No, we have not."

MR. CHAIRMAN: (2)--pass; (3)--pass; (b)(1)--pass; (b)(2)--pass.
The Member for Rupertsland.

MR. BOSTROM: On each item, as we come to it, I don't think it should be necessary for us to rise on each occasion and ask the same question. Could the Minister, when we reach each section such as 2.(b)(1), could he indicate what the item is for, what the salaries are for - in this case, what staff are involved, and how many staff and so on?

MR. RANSOM: Yes, Mr. Chairman, that's why I indicated to the honourable members earlier, if they would tell me what it was that they expected by way of information as we went through, then I would attempt to provide that. The salaries included there are for two positions, one is for a secretary and one is for an executive director or executive secretary to the Water Commission, and the Commission undertakes investigations, studies that are assigned to it by the Minister. They presently are working on an investigation of the operation of the Winnipeg Floodway and the Shellmouth Reservoir and the Portage Diversion to see if there are any unexpected impacts that have resulted from the operation of those works, and whether or not there is any necessity for the government to undertake remedial action or to have a detailed review of the operational procedures for the floodway.

MR. CHAIRMAN: (b)(1)--pass; (b)(2)--pass; (b)--pass; (c)(1)--pass. The Member for Fort Rouge.

MRS. JUNE WESTBURY: Yes, thank you, Mr. Chairperson. I was wondering if the Minister can tell us when the government expects to settle the Native Lands Entitlement claims. I understand that if these settlements are not concluded, the hydro development in the north can be held up for a number of years in the courts, and that could have a serious effect on the Manitoba economy. I understand that there are still communities in the north that were promised land settlements in the 1930's and they are still waiting 40 years later for Crown lands to be met so that Treaty obligations can be met.

I am told that the Saskatchewan government has arrived at a formula that is acceptable to the native population of that province, but that the Manitoba government does not want to use the Saskatchewan formula. As a new member, I would be interested in hearing the Minister's comment on what I've been told.

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Now, apparently there is a desire to use the population figures as of the time the surveys were completed, which could be any time up to 100 years ago, and that government has no desire to compensate for the intervening years. It is not, I would point out, the native peoples' fault that these agreements were not reached many years ago. I am told that if they had been given what was due to them - for instance, the Island Lake Indian Band in 1924 when their survey was completed, it would have been a 20,700-odd acres, whereas that figure has increased because of population increases in the band in the intervening years.

I wonder what the Minister can say to me in respect to the Land Entitlement Claims, please.

MR. RANSOM: Mr. Chairman, I should point out to the honourable member that it really is the Federal Government who has the responsibility to fulfill the entitlements under Treaties, and I assume that the honourable member is distinguishing between Treaty entitlements and some exchange situations that exist, or any problems related to the Northern Flood Agreement.

Speaking strictly in terms of entitlement, the Federal Government is the government that has to ultimately fulfill their obligation to the Indian people. The province is obligated to make land available to the federal government, with quite a wide latitude of determining how they will make that land available to the federal government in order for them, that government, to be able to fulfill its commitment to the Indian people under the Treaties.

The Treaties, of course, were in existence for a number of decades, while the resources were still under the jurisdiction of the federal government, and unfortunately, many of those entitlements remained outstanding at the time that the Federal Government transferred the resources to the province. So one of the difficulties, and there are many, but one of the difficulties is that there is not a great deal of agreement between the Indian people and the federal government in terms of making a request to the province which they agree would fulfill entitlement under the Treaty.

The honourable member refers to the Saskatchewan formula. The Saskatchewan formula was simply a date that the Saskatchewan Government agreed to accept as one for calculating populations - I think it is December 31, 1976 - which they said they would calculate entitlements on that date, that there would be no further entitlements on the basis of expanding populations. But they also tied in some conditions under which the federal government was supposed to make land available - land in community pastures, for example - or it was even suggested that perhaps national parks would be made available for land entitlement. It is no doubt a more generous formula, from the numbers point of view, for the Indian people; but I must say that Saskatchewan has not experienced a great deal of success, perhaps no more success than Manitoba has, in settling any entitlements since adopting that formula.

Now, our government has continued with the same formula as far as population is concerned, the same formula that the previous administration had established, and that was calculating it on the basis of the the first application or first survey. We have continued with that policy. We have outlined a number of other guidelines that we would try and follow in attempting to achieve settlements to the outstanding entitlements. We have not been able to make the kind of progress that we would like to make, one of the major reasons being that which the Member for Inkster pointed out this morning, the question of the right to expropriate land, that so long as the federal government will not implement Section 35 of The Indian Act, which allows them to expropriate land when required for public purposes, then in effect it means that land which might be required for public purposes at some time in the future is not available then. That is a particularly difficult point of discussion in attempting to settle these entitlements.

MRS. WESTBURY: Is it not the case that when the Honourable Jake Epp was the Federal Minister responsible for Northern Affairs, that he was insisting that the three prairie provinces should agree on a formula, and because Alberta was taking a very tough position - I was going to say a very conservative position but I'm sorry, I didn't mean to be argumentative, I'll say a very tough position - and Manitoba was perhaps a little more yielding but still was not prepared to agree to

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the formula proposed, that this was the reason that the Federal Government wasn't able, during the Clark administration, to come to any agreement.

Now, I understand that 13 of the bands in Manitoba, of the 25 bands which have not yet reached their full quota, have agreed to accept 516,000 acres under the Saskatchewan-type agreement. The other 12 haven't agreed yet, and I understand all 25 have to agree on the formula, but all 25 bands would agree on a Saskatchewan-type formula; and is it not true that in 1977, the federal government agreed to this but the new provincial government in Manitoba refused to agree to it and in the meantime, it's been held up. I understand that under the original treaties, over 25 Manitoba bands did receive their full quota and the province has taken the position that it will not turn over any compensation under The Natural Resources Transfer Act, both the native bands and the provincial government have to agree before the federal government will give its stamp of approval to the proposal.

The Manitoba Indian Brotherhood, I understand, sent a proposal to the Minister in November of 1979. The substance of the proposal was that if the government of Manitoba would implement the Saskatchewan formula, the remaining 25 bands would agree. They suggested that the federal government should appoint an arbitrator, or a list of arbitrators mutually agreeable to both parties. What they are wanting, is land granted to them under the treaties, land that is legally theirs and they have not yet received. They want this settled quickly and they are prepared to make concessions. And I would like to know why the Manitoba government has not agreed to, or disagreed, either one, has not replied to the proposal that was sent to them in November 1979.

The Saskatchewan government seems to have had no big hangup in agreeing to the formula that they have presented, which seems to be eminently fair and acceptable to the native bands. If it's true that the development of hydro in the north is going to be held up through the courts, surely it's in the interests of all Manitobans for these land entitlement claims to be settled, and as soon as possible.

MR. CHAIRMAN: The Member for Inkster.

MR. SIDNEY GREEN: Well, Mr. Chairman, I think that the villain in the piece is the federal government, not the provincial government. It is the federal government. There is absolutely no doubt that the villain in the piece is the federal government. Mr. Chairman, the federal government did not agree that the provincial government could transfer land on the understanding that if the land is necessary for public purposes, there would be appropriate steps taken by the federal government to take that land and give equally valuable land to the Indians in exchange therefor. They did not agree with that. They resisted it, and that was the reason for the delay. The federal government has consistently taken the position that there can be no change in the terms under which land is transferred. And historically, Mr. Chairman, what happened was, when you needed a hydro program, the federal government co-operated. There was a land exchange and new lands were given to the Indians. Starting with somewhere around 1972, the federal government said, "You have to settle with a group of people who we are financing to fight the provincial government." And that was the trouble. And it was caused by two Ministers, both of whom Mr. Trudeau was intelligent enough not to reappoint. One was Judd Buchanan and the other was Warren Allmand, and neither of them has been appointed to the Cabinet, because the federal government is now stewing in its own juice. It has the same problem in the Northwest Territories, and it's not going to be subjected to a veto power to a particular group as to whether it ever proceeds. And that's their problem, Mr. Chairman, that's their problem.

And I say to the Minister that I will support the Minister. If he says that not one inch of Manitoba land will be transferred to the Indian bands, or the federal government for the Indian bands, except that there be an understanding as to what happens when that land is needed for public purposes. And let me be clear, Mr. Chairman, I want to be generous. When it's needed for public purposes, there should be total compensation, there should be equivalent lands given, there should be complete compensation to anybody injuriously affected, but there should be no veto power to prevent the province from proceeding.

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You know, one of the things that Mr. Justice Tritschler says, which is totally astonishing - he says that Sterling Lyon, the present Prime Minister, Duff Roblin, former Prime Minister, all of the legal authorities of the Crown said in 1966, that they were going to build a Churchill River Diversion; that they were going to build Lake Winnipeg regulation; that they were going to build a transmission, and that there would be a group in northern Manitoba who had a veto power over the program. That's what Mr. Justice Tritschler said. I was never quite so critical of my honourable friends. I said that it was understood that if they needed the land, the federal government would facilitate it, being a sovereign government - at least we thought so - and that the provincial government would make compensation. But apparently that is now in dispute. Mr. Justice Tritschler says that in 1966, Roblin was an idiot. That's what he is saying. I didn't think that Roblin was an idiot, but Tritschler says that Roblin was an idiot, and Lyon was an idiot. I never took that position, Mr. Chairman, never took that position. But that's the position that Mr. Justice Tritschler seems to take. Maybe that's the only correct finding that he makes; I don't know. I never believed that that is the case.

But insofar as the entitlement is concerned, my friend, the Member for Fort Rouge says that all they want is what they're legally entitled to. That's not so. They want a different formula than was provided in Manitoba. And there is another problem, Mr. Chairman. The date of transfer, and it is acres per person at which date at the time that the treaty was made, I think we settled in 1921 or something, or we tried to figure out a date, and some of the bands have not accepted land when it was offered, because if they wait a little while, the population goes up and then they get more acres. So it's not all that simple.

And, Mr Chairman, you know, I think that all of this is a bit of surplusage, irrespective of any treaty. If there were people in northern Manitoba, of any race, creed, color, or religion, that wanted land for the purpose of developing their well-being, I would give it to them. I would be anxious to give it to them. I would be anxious, I wouldn't count the acres. We're talking about acres, thousands of thousands of acres. So it's not a question of whether we want these people to have the land for the purpose of development or not, it is now a question of sovereignty, because they are asking for land on the basis of when that land is obtained it becomes a state within a state, and has a veto power over both the Province of Manitoba and Canada.

And I say to the Minister that you should not give up one inch of Manitoba land to any other group or to the federal government on behalf of any other group until there is an understanding as to what is to happen when that land is needed for public development. And what should happen, is that the people should be in the same position as any other citizen of the Province of Manitoba. As a matter of fact, I would make a better position, that there should be no question of compensation, there should be no question of damages, it should go to a third party if necessary, to a judge to determine what it is, but there should be no veto power. The kind of veto power that the federal government financed during the years between 1972 and 1977 was unconscionable, Mr. Chairman, unconscionable, unconscionable that a government responsible to all of the citizens in society, should be financing one group of citizens, who to use their words - and they were encouraged to use these words - I really don't blame the people because they were put in the position that the one who wasn't most militant, would be looked on as a fool - and these were their words: We are going to make them pay through the nose. And the 13th of their demands after they listed the demands from their lawyer, and I produced that in the Legislature, social development programs, economic development programs, tax rebates, hydro royalty rates, special hydro rates, compensation damages - and the last one was a beauty. The above list is not exhaustive. You may add to it. In other words, we are asking for a blank cheque.

Now, those are their words, but they are not the words of the people. They are the words that the federal government thrust upon these people, because the federal government said, until you agree the province can't do anything. And under those circumstances, they create leadership that says, well, we should ask for the moon; and what they did ask for was the moon. And they said, we are going to make them pay through the nose.

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Well, Mr. Chairman, that is not conducive of the healthy development of the community of Manitoba for all of its citizens. That is not going to solve problems, that is going to create problems. And I say to the Minister that if that's the trouble in the holding up the land settlements, you hold them up on behalf of my behalf, on behalf of the people in my constituency and on behalf of all of the citizens of the province of Manitoba.

MR. CHAIRMAN: (c)(1)--pass. The Member for Rupertsland.

MR. BOSTROM: There's a number of questions I have in this area. According to the Annual Report of the Minister's department during 1978-79, the province approved a set of policy guidelines covering Indian Treaty Lands Entitlement. Could he indicate what those guidelines are and perhaps provide us with a copy of such?

MR. RANSOM: Yes, Mr. Chairman, I would be happy to do that. I can, perhaps for the record, refer to them here and then I'd be happy to give a copy.

The first is that the date for the selection of a population count on which to base acreage, will be the date of first application or survey for land, which is what we've been discussing here, and was the same policy that the previous government was following.

The Treaty Entitlement Transfers shall include mines and minerals, as in all past entitlement transfers in Manitoba, in accordance with Section 12 of The Manitoba Natural Resources Transfer Act. That also, I believe, is as was the case before.

Manitoba will not transfer lands that are clearly chosen for speculative purposes in respect to future public utility or public works projects such as highways, pipelines or transmission lines.

4. As much as possible, claims should be taken in single blocks contiguous to existing reserves. However, the geography of northern Manitoba will not always permit this, requiring exceptions to provide land that can be of some use to the bands. Sites for settlement purposes will normally be smaller in size and will be chosen having regard for such factors as drinking water supply, access, hydro availability, and building sites.

5. The province will not transfer lands within 99 feet of ordinary high water or of navigable rivers and lakes; however, leases will be made available to bands for the use of these areas without Manitoba or its agencies assuming liability for flood or other damages.

6. The province will not transfer lakes or rivers, or the beds of same, to Indian Reserves. The province will not pay for access roads to new reserve lands. And in this case, what that one refers to is, that should there be a site selected in a remote area of the province, that by agreeing to transfer that land, we are not automatically agreeing to provide access to it.

The province will not transfer land to Canada for designation as Indian Reserves, if such will work to the detriment of other residents of the area. And in this situation we are referring to cases where there are non-status Indian and Métis communities that are close by to Indian Reserves, and we are simply attempting to protect their interests.

No. 9 is a very general one, that in all instances of land transfer, the rights and needs of Manitoba society, and in general the public interest of Manitoba, shall be an overriding consideration in the negotiations.

But all along in speaking to them, I have pointed out to the Brotherhood and the Entitlement Committee and individuals whom I have been dealing with, that we have set these down as policies established by Cabinet. If there are compelling reasons to change some of these guidelines, then we will change them. And I have all along said that it would be much easier to arrive at some kind of agreement if we can agree to solve this question of the lack of ability to expropriate, and that if we had agreement - as the Member for Inkster points out - in advance, before any situation arises, as to how that situation would be resolved, or how a situation would be resolved if it arose, then I think we could get on with it. But what we have done is set these down as guidelines as a basis and we know what we're talking about.

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Now the Member for Fort Rouge said I did not respond to a letter from the Indian Brotherhood which was sent last November. That is true to some extent, because that letter came from the then President of the Manitoba Indian Brotherhood, and the member is probably aware of some of the internal difficulties that the Brotherhood has had in that period of time. I have since been in touch with the Chairman of the Land Entitlement Committee, Jim Bear, and have written to him and spoken to him, simply saying that we will in fact be responding in detail. But that was one of the main reasons for the delay there.

If I might respond, Mr. Chairman, while I'm on my feet, to a couple of points made by the other members, I must point out to the Member for Fort Rouge, as did the Member for Inkster, that the federal government did not, in fact, agree to what Saskatchewan sees as the Saskatchewan formula, because part of what Saskatchewan sees as that formula is the federal government making available the land that it has in the province of Manitoba. The federal government has a considerable amount of land in Manitoba, and even more in Saskatchewan. Saskatchewan has accepted the formula. They had accepted it in 1976 and they haven't made any settlements since that period of time. So it would seem that there are other difficulties involved.

It's a complex situation. It's one that I personally feel would be in the interests of everyone to be settled as quickly as possible, because I believe that what is in the best interests of the Indian people - if I might assume to make a judgement what would be in their interests - is that these claims are settled so that they can start to deal with the real problems and issues that face them as a culture, and as a people, and so that we are not spending our time - wasting our time almost - in attempting to settle these numbers of claims. That what is important is the base that's available to a band, and in some cases a small number of acres would provide a much better economic base to a band than would a huge acreage in another part of the province. So that the numbers aspect of it is almost, in reality or in fact, as it relates to ability to benefit the Indians, it's almost irrelevant. But as a bargaining feature, it's the central one, and I expect it will continue to be the central one for some time.

MR. CHAIRMAN: (1)--pass. The Honourable Member for Inkster.

MR. GREEN: Yes, Mr. Chairman. I'm worried about one of the areas of the policy statement - I believe it's No. 3 - where he says that the province will not transfer land which is obviously picked up for speculative purposes and in line with what may be provincial programs. Is it No. 3 that says something like that? Well, Mr. Chairman, really, I think that poses a problem for both groups, and I'm trying to be constructive.

It wouldn't matter to me if they did that, because unless you knew that a program was going in there, provided that the federal government will agree to expropriate when the province is engaged in a normal program. And I think at the end of your policy statement, you indicated that these are our suggestions; if we can agree as to an expropriation procedure, then we could change these suggestions. Am I paraphrasing you properly?

Therefore, if you could get an understanding as to when land is needed in the public interest, then that 3. could also change, and then you wouldn't be so worried about them speculating because the speculation would do them no good. But if you knew that a program was going into a certain area, of course, that would be a problem.

I also, Mr. Chairman, would even be much easier than the Minister is in the policy statement - not that he hasn't said he would be easier - on things such as lakes and lakeshores and river banks, if the other understanding was available. But if the other understanding is not available, then I would be worried about transferring land on the basis of those nine statements, because it is a great risk. You don't know where a public program is going to go. You can't guess that they're speculating on a public program.

And I see at the same time, Mr. Chairman, not wishing to do any harm, I would unilaterally transfer the land, and I did so, or offered to do so, in one area when I was negotiating, and it was they who refused to take it because I wasn't transferring it to them subject to their conditions. And I said, "I will transfer it and then you can claim whatever conditions you want, but I'm giving you the

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land. If you don't want to take it that's up to you." I would certainly want these people not to be saying that they don't have land, and of course they do. In many cases they're on Crown land now, and nobody is telling them that they can't be there. Nobody is taking any action. Nobody is complaining. But they want their land entitlement and, Mr. Chairman, I don't want them not to have their land entitlement.

My friend for Fort Rouge says they're legally entitled to it. Nobody is stopping them from exercising whatever legal rights that they have. If it's a legal right, then they can go out and exercise it - which, by the way, is what we told them with respect to the Churchill River Diversion. When Mr. Allmand came and said that he was going to get an injunction against us, we didn't hide under the table.

As a matter of fact, I was quoted in the paper the next day, in the Tribune, as saying, with respect, Mr. Chairman, "Go get your god damned injunction." And I spoke to the reporter the next day and said: "Jenny" - it was Jenny Mortin - I said, "I didn't know you listened at keyholes", and she said, "Mr. Green, we didn't have to listen at the door, we could hear it all over the halls." So we didn't tell them not to sue. We told them that if you have this legal right, you should sue. But we did not want that, Mr. Chairman. We wanted the people who were involved to be fully compensated for any problem, and I still want that.

But I don't think that we should create a situation which will, itself, inspire people to make demands which they normally wouldn't make, and that's what the federal government did. That's what the federal government did with respect to the Northern Flood Committee, and we have not heard the last of it. And they are the ones who are suffering most by it, because they are now saying, "We won't wait until there is a land settlement. We won't wait until there is a settlement of native claims before we proceed with pipeline construction in the North-west Territories. We cannot give that undertaking. We made Manitoba do that, but we won't do that ourselves."

MR. CHAIRMAN: (1)--pass; (2)--pass. The Honourable Member for Rupertsland.

MR. BOSTROM: On the Indian land claims, I have some somments. I'm sorry the Member for Fort Rouge is not here, because I believe - perhaps she can read it on the records afterwards - but I believe at least part of the problem here is the federal government. And certainly, one of the issues related to Indian land claims in Manitoba is the fact that there was a inequitable situation established in the first instance when the federal government negotiated treaties with the Indians in Manitoba. For some reason, which is unexplained to me as of this date, some of the Treaties contained a provision whereby a family of five was to receive 160 acres --(Interjection)-- It could be. But the Treaty lines are irregularly drawn and there are those, I believe, that fell into the area in the east and southeast of Manitoba, that signed Treaties which gave them 160 acres per family of five, with no indication as to when the population was to be determined, and therefore it was left, after the Resources Transfer Agreement in Manitoba, for the provincial government to determine when the population count should be determined. I note that this government has taken the same position as the last government in that regard, that it should be counted as of the date of the original application of the band in question.

In the case of Indians that were living west of that dividing line, some of them in Manitoba and most of them in Saskatchewan, they signed Treaties which gave them land in the extent of 640 acres per family of five. Now clearly, that was an inequitable situation. I mean, why should the Indians who were living on one side of an arbitrary line have 160 acres per family of five and those on the other side of the line, some of whom lived on land that was much more valuable in terms of its productive capacity, have a settlement of 640 per family of five? So I believe the Indian people here have a moral, if not a legal, beef with the federal government on that issue, and that is something they must determine in negotiations and/or court cases or whatever will result with the federal government.

The Manitoba government is honour-bound by the Resources Transfer Agreement to honour whatever Treaty entitlement is established for the Treaty Indians of Manitoba. I don't know what the legal point of view here would be if the federal government suddenly were to determine that that Treaty that was signed with the

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Indian people giving them only 160 acres per family of five when others got 640 acres per family of five, if they were to up the ante there and make it equitable, so to speak, and give all the Indian people an entitlement of 640 acres per family of five, that would significantly alter the number of acres that Indian people in Manitoba would be entitled to. If that were the case, then I think the federal government, in making a decision like that, would have to make some determination as to where that land would be coming from. Because some of the Indian bands, for example, in Manitoba, fall in a pretty well-settled agricultural area of the province, and the lands are - there is just not much Crown land in the area of these bands. If there were to be substantial acreages allowed to be transferred to these bands, or required to be transferred to these bands, they would have to, I believe, the federal government would have to make some provision for the purchase of lands or, as the Saskatchewan government has suggested they do, make some of the federal Crown lands available for settlement of these Indian land claims.

I believe that's an issue that the Honourable Member for Fort Rouge could take up with her colleagues in Ottawa, because that's where the buck stops on that issue, as to whether or not it's equitable for some Indian people to have only 160 acres per family of five in their Treaty in some areas of Manitoba, and in other areas of Manitoba, they have 640 acres per family of five.

--(Interjection)-- No, it doesn't. I'm just repeating that - for the benefit of the Member for Fort Rouge, who has just come in - but I believe that that is one issue that the Indian people have, which I think that maybe the Honourable Member for Fort Rouge could assist them with, since her party colleagues are in power in Ottawa right now and that's where the buck stops on that issue.

As far as the other issue, which my colleague, the Member for Inkser, has indicated, that is, I think, a continuing argument between the two levels of government, which should be settled as well, and perhaps the Honourable Member for Fort Rouge could use her good offices to establish some communications there and hopefully get that resolved. I never saw that as a serious problem with the Indian bands in Manitoba themselves. If you talked to the Indian bands in Manitoba, they were not as concerned about that particular problem as they were about getting access to resources. Now, that's a related issue here, and I know that while we were in government, we attempted to provide access to the resources, particularly for the Indian people living in northern Manitoba, which was, I think, more crucial to them to have access to a larger area of the resource base, so to speak, than to simply have land transferred to them which, without any money to develop it, is worthless. And in some cases, having a few hundred extra acres of land was really irrelevant in terms of being able to do anything of any significance for a community in terms of their economic development. It is much better to have policies in place which would give the people living in those communities access to forestry, access to wild rice, access to fisheries, access to all of the resources in their area of residence, so that they could make a reasonable living for themselves. We made an indication at that time to the federal government, which they failed to pick up on - and I think that they certainly have fallen down in terms of their responsibility to the Indian people in Manitoba because, in this one instance, we said, we will make the resources available; we will make land, forestry, fishery, wild rice, whatever there is, wildlife, wild fur, and so on, available to the Indian people on a long-term lease basis, if the federal government will put up the money to assist the Indian people to develop those resources. Because there's not much point in making people have access to resources, giving them opportunity for access, if they have no means to develop that resource base.

We made that offer to the federal government, and the Liberal government of the day did nothing with it. In fact, the way in which they are handling the situation with respect to the Indian Reserves in the province of Manitoba today is nothing short of scandalous, because all they are doing is making available social assistance. There is very little in the way of economic development funds available for Indian people. I believe that's where the concentration should be focussed, not on simply handing out money for welfare. There should be a focus on making it possible for Indian people to have a reasonable living from developing their resource base, or whatever. And I know for a fact that 50 to 75 percent of the money that is paid out in welfare on Indian Reserves is for economic reason - that's the primary reason. It's not for health or medical or social reasons, but

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for economic reasons, which means they have no job and that is why the money is paid out.

That is a situation that both levels of government should be addressing themselves to. I recognize that the Progressive Conservative Government here has fallen down and completely ignored that problem; but at least perhaps we can look to the federal government that is a little bit different stripe, and hopefully they will attempt to address themselves to that problem, because it is one that I have spoken about many times in this House. It is one that is not going to go away by itself. It is one that is going to become increasingly and exponentially bigger as time goes on, because you have one family on welfare now and in ten years you're going to have seven or eight families on welfare. I don't think the answer is just to continue paying out welfare.

MR. CHAIRMAN: 2.--pass - the Honourable Member for Rupertsland.

MR. BOSTROM: I was thinking perhaps somebody wanted to respond, but failing that, I will ask some specific questions in this area. I would like to ask the Minister if the five bands that were affected by the Northern Flood Agreement, that is, Cross Lake, Nelson House, Norway House, Split Lake and York Landing, have made their specific land request to the province, and if so, if any land transfers have been made with respect to that agreement?

MR. RANSOM: Mr. Chairman, I am not responsible for the administration of the Northern Flood Agreement, and I would have to make some enquiries from the Department of Northern Affairs. I don't believe that there has been any settlement but, as I say, I don't have the responsibility for the administration of the agreement. I would be happy to advise the Minister of Northern Affairs of the question, and have the information provided in his Estimates.

MR. BOSTROM: The other question I have, and I believe the Minister should be able to answer, land exchanges for airstrips built on Reserve lands at Norway House and Bloodvein were still unresolved as of the last time we talked about his Estimates and I wonder if he can indicate if these land exchanges are proceeding, or what the status of them are?

MR. RANSOM: I believe that those are still outstanding. The member may be aware that we have a technical committee established that has representatives from the various agencies involved and the various branches, and Hydro and such. The technical committee is chaired by Dave Tomasson of Northern Affairs, and they have been working on these types of questions. To my knowledge, there hasn't been any significant progress made. I have some information in front of me that I'll check through, perhaps while the member has some more comments or questions, and see if I can get the answer right now. If not, I'll provide it for him later.

MR. BOSTROM: That's fine, Mr. Chairman. I would like to know as well if the Minister could look it up and provide the answer now or later, whether or not the road negotiations and land exchange at Norway House have been completed. If not, what is the status of that, and also the land exchange at Bloodvein for Metis housing. The Bloodvein Reserve was good enough to provide some of their prime land for the Metis in that community for housing, and they are entitled to a land exchange. I wonder if the Minister could indicate what the status is of that problem?

MR. RANSOM: I think the best thing I can do, Mr. Chairman, is provide the member perhaps with a written answer. Some of these things, beyond saying they haven't been settled, it's hard to get details across - and those haven't been settled but I would be happy to provide him with a fuller answer.

MR. BOSTROM: Just on the administration of this whole problem, Mr. Chairman, can he indicate if his Lands Branch, which is indicated in this chart here, is the one with the primary responsibility for negotiations regarding Indian land entitlements and dealings with the M.I.B., or whatever other groups are involved

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with this, or does he have a separate section that is dealing with Indian land entitlement problems?

MR. RANSOM: As I said, we have a Technical Committee which evaluates any given problem, and we have the sub-committee of Cabinet that deals with land claims. As I said, Dave Tomasson, who is acting as secretary of the Technical Committee, acts as secretary to that sub-committee, and it considers the principles of any given situation and considers the recommendations of the Technical Committee. The Lands Branch has direct dealings when the terms of reference and the decisions on principle have been made by the other process, then Lands continues to be the point of actual contact when it comes to trying to finalize a given decision.

MR. CHAIRMAN: 2.--pass; (c)--pass; (d) Grant to the Natural Resource Institute--pass - the Honourable Member for Rupertsland.

MR. BOSTROM: Mr. Chairman, just still on that, perhaps the Minister could indicate what the grant is for, if it's a routine core grant, or if it's for a specific purpose.

MR. RANSOM: That grant, Mr. Chairman, has been ongoing for a number of years, to provide support for students doing practicums, I think they refer to them as, research projects under the Natural Resource Institute.

MR. CHAIRMAN: (b)--pass. Item 2. Administrative Services, Resolution 101, (a) Financial Services, (1) Salaries--pass.
The Honourable Member for Rupertsland.

MR. BOSTROM: Mr. Chairman, I wonder if the Minister could - 2.(a)(1) and (2), as we come to them - indicate what these items are for.

MR. RANSOM: Yes, Salaries, Mr. Chairman. There are 39 staff man years under that Salaries item. And the Other Expenditures will be for all of the equipment - it's not the right term - but materials that are required in the processing of the financial vouchers and that sort of thing.

MR. CHAIRMAN: (1)--pass; (2)--pass. The Honourable Member for Rupertsland. (2)--pass; (a)--pass; (b) Personnel Services, (1) Salaries--pass.
The Honourable Member for Rupertsland.

MR. BOSTROM: Well, I wonder if the Minister could indicate what this section is for, and what precisely the role they have, in terms of providing a personnel service for his department.

MR. RANSOM: Yes, Mr. Chairman, I can do that. The staff - first of all, there are 22 staff man years in that group. That's the same level of staffing that was there in the previous year. It has a number of functions; it provides a centralized co-ordinating staffing function. Its classification services, by reviewing and ensuring equitable evaluation of all positions where recruitment action has been taken; response to queries from department staff regarding wage agreements' interpretation; respond to formal grievances; participate in contract negotiations; review and analysing existing personnel policies and practices; they respond to queries and issue directives, if necessary, to ensure staff are properly informed on personnel matters enabling them to more efficiently carry out their managerial and supervisory responsibilities; they deal with in-service training through instruction reviewing, advising on educational leave, and assistance in reviewing training needs and arranging instruction, process necessary personnel documents, payrolls, reports; maintain performance appraisal program and the personnel records as to positions in the department, etc.

MR. CHAIRMAN: (1)--pass. The Honourable Member for Rupertsland.

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MR. BOSTROM: Mr. Chairman, I would ask the Minister if this is the section that would be responsible for recruiting all the staff within his department, for example, if he was looking for a senior administrator in any position in the department or forming a selection committee, interview board or whatever to hire staff, if this would be the section the department is responsible for?

MR. RANSOM: Essentially, yes, Mr. Chairman. Of course, when he refers senior personnel, I assume that the member is not referring to the senior Order-in-Council appointments - you're talking about Deputies and Assistant Deputies and such - but this is where the general recruitment, the work that the department does, is carried out by this group in conjunction with the Civil Service Commission.

MR. BOSTROM: Apparently, about six months ago, a Mr. Psikla was hired as Administrator of Law Enforcement, and subsequent to that was elevated to Chief of Regional Services, and as recently as February 1st, the Minister has indicated, by way of a press release, this gentleman has been appointed the Director of Regional Services for the department. These are three positions that this person has occupied, two of which are promotions from the original position. I wonder if the Minister could indicate what selection procedure he has followed in the first instance, of selecting the individual involved, and what procedure his department has followed with respect to the other two positions that he was promoted to, that is, Chief of Regional Services and also the subsequent appointment as Director of Regional Services.

MR. RANSOM: I think, Mr. Chairman, that there really only were two steps in there. I'm not aware of the third one, although someone may have been using an informal title. But the first recruitment was done through the regular recruiting process, through the Civil Service and our personnel department, and after this person had served for some time in the department, we recognized the capabilities that he had, and the second appointment or promotion was done by Order-in-Council which, of course, does not go through the regular process of recruiting.

MR. BOSTROM: Mr. Chairman, then I understand there were only two positions, rather than three. Can the Minister indicate, therefore, whether or not the individual involved in the first instance, when he was hired as Administrator of Law Enforcement for the department, was selected through the regular process, whereby a person from the Civil Service Commission was present at the interview and was able to review the documentation of all those who applied for the position?

MR. RANSOM: That's my understanding, Mr. Chairman. I'd be happy to confirm that, but I'm certain that's the case.

MR. BOSTROM: I don't know if we have time to discuss the other situation that I want to bring up with respect to the Minister's department. Apparently his department was in the process of selecting - and I believe it was through this section - four regional supervisors, and I believe, as has been indicated to me, interviews were called with the main actors involved here who would be in charge of these people, the regional managers, not asked to sit on a selection board. And the only two people, other than one regional manager who was on the board, the only two other members who sat on the interview board, were the gentlemen in question here, a Mr. Ernie Psikla, and an Audrey Clifford of the Personnel Branch. There was no person in attendance from the Civil Service Commission, and as I understand it, the individuals who were selected by this board were questioned by senior members of the department, who had also applied for the position. And as I understand, Mr. Chairman, from a discussion with the Minister in charge of the Civil Service Commission last night, there was in fact no Civil Service member present at the board hearings. Five appeals are in the process at the present time, that is, at least five people as I understand it, who applied for the position were dissatisfied with the process of selection and recruitment that the department was following. I think the Minister must accept some responsibility here, since he admits that he was responsible directly through Order-in-Council for appointing the one person who was in charge of this interview

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committee, that is, Mr. Psikla. So, Mr. Chairman, I hope the Minister has an opportunity to respond here, because I think it's a serious matter.

MR. RANSOM: Mr. Chairman, as the Minister of Labour pointed out last night, there are appeals in place and those will be heard. Just in the 60 seconds or so that are available, all I can assure the honourable member of, is that those recruitments were carried out according to the guidelines set down by the Civil Service Commission and the Civil Service Commission, for some reason, either chose not to be present or wasn't present. It was through no doing of ours.

MR. CHAIRMAN: Order please. The hour is 4:30 Committee rise. Call in the Speaker.

The Chairman reported upon the Committees' deliberations to Mr. Speaker and requested leave to sit again.

IN SESSION

MR. SPEAKER: The Honourable Member for Radisson.

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

MOTION presented and carried.

MR. SPEAKER: The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, by agreement I move, seconded by the Honourable Minister of Government Services, that this House do now adjourn.

MOTION presented and carried, and the House accordingly adjourned until 2:30 Monday afternoon.