



Second Session — Thirty-Second Legislature
of the
Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS

31-32 Elizabeth II

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Second Legislature

Members, Constituencies and Political Affiliation

Name	Constituency	Party
ADAM, Hon. A.R. (Pete)	Ste. Rose	NDP
ANSTETT, Andy	Springfield	NDP
ASHTON, Steve	Thompson	NDP
BANMAN, Robert (Bob)	La Verendrye	PC
BLAKE, David R. (Dave)	Minnedosa	PC
BROWN, Arnold	Rhineland	PC
BUCKLASCHUK, John M.	Gimli	NDP
CARROLL, Q.C., Henry N.	Brandon West	IND
CORRIN, Brian	Ellice	NDP
COWAN, Hon. Jay	Churchill	NDP
DESJARDINS, Hon. Laurent	St. Boniface	NDP
DODICK, Doreen	Riel	NDP
DOERN, Russell	Elmwood	NDP
DOLIN, Mary Beth	Kildonan	NDP
DOWNEY, James E.	Arthur	PC
DRIEDGER, Albert	Emerson	PC
ENNS, Harry	Lakeside	PC
EVANS, Hon. Leonard S.	Brandon East	NDP
EYLER, Phil	River East	NDP
FILMON, Gary	Tuxedo	PC
FOX, Peter	Concordia	NDP
GOURLAY, D.M. (Doug)	Swan River	PC
GRAHAM, Harry	Virden	PC
HAMMOND, Gerrie	Kirkfield Park	PC
HARAPIAK, Harry M.	The Pas	NDP
HARPER, Elijah	Rupertsland	NDP
HEMPHILL, Hon. Maureen	Logan	NDP
HYDE, Lloyd	Portage la Prairie	PC
JOHNSTON, J. Frank	Sturgeon Creek	PC
KOSTYRA, Hon. Eugene	Seven Oaks	NDP
KOVNATS, Abe	Niakwa	PC
LECUYER, Gérard	Radisson	NDP
LYON, Q.C., Hon. Sterling	Charleswood	PC
MACKLING, Q.C., Hon. Al	St. James	NDP
MALINOWSKI, Donald M.	St. Johns	NDP
MANNES, Clayton	Morris	PC
McKENZIE, J. Wally	Roblin-Russell	PC
MERCIER, Q.C., G.W.J. (Gerry)	St. Norbert	PC
NORDMAN, Rurik (Ric)	Assiniboia	PC
OLESON, Charlotte	Gladstone	PC
ORCHARD, Donald	Pembina	PC
PAWLEY, Q.C., Hon. Howard R.	Selkirk	NDP
PARASIUK, Hon. Wilson	Transcona	NDP
PENNER, Q.C., Hon. Roland	Fort Rouge	NDP
PHILLIPS, Myrna A.	Wolseley	NDP
PLOHMAN, John	Dauphin	NDP
RANSOM, A. Brian	Turtle Mountain	PC
SANTOS, Conrad	Burrows	NDP
SCHROEDER, Hon. Vic	Rossmere	NDP
SCOTT, Don	Inkster	NDP
SHERMAN, L.R. (Bud)	Fort Garry	PC
SMITH, Hon. Muriel	Osborne	NDP
STEEN, Warren	River Heights	PC
STORIE, Jerry T.	Flin Flon	NDP
URUSKI, Hon. Bill	Interlake	NDP
USKIW, Hon. Samuel	Lac du Bonnet	NDP
WALDING, Hon. D. James	St. Vital	NDP

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 28 March, 1983.

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. J. Walding: Presenting Petitions
. . . Reading and Receiving Petitions . . .

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: The Honourable Member for River East.

MR. P. EYLER: Mr. Speaker, the Committee of Supply has considered certain resolutions, directs me to report progress and asks leave to sit again.

I move, seconded by the Honourable Member for Wolseley that the report of the committee be received.

MOTION presented and carried.

MR. SPEAKER: Ministerial Statements and Tabling of Reports . . . Notices of Motion . . . Introduction of Bills.

INTRODUCTION OF GUESTS

Before we reach Oral Questions, I direct the attention of members to the gallery where we have nine visitors of the Hazelridge 4H Seed Club under the direction of Mrs. Hopkins and Mrs. Lamont. The club is located in the constituency of the Honourable Member for Springfield.

There are 25 visitors from the Westbourne 4H Club under the director of Ms. Sharp and the club is from the constituencies of the Honourable Members for Gladstone and Portage la Prairie.

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

NON-POLITICAL STATEMENT

MR. SPEAKER: The Honourable Member for Brandon West.

MR. H. CARROLL: Before Oral Questions, Mr. Speaker, I'd like permission to make a non-political statement.

MR. SPEAKER: Does the honourable member have leave? (Agreed)

The Honourable Member for Brandon West.

MR. H. CARROLL: I'm sure everyone in this House will join me in congratulating the Mabel Mitchell rink of Brandon. These women won the Canadian Senior Women's Championship last weekend. This is the first time this championship has been won by a Manitoba rink and, again, I would like to congratulate this rink and I would hope that the members would go along with me in such a congratulatory message.

ORAL QUESTIONS

Demonstration at U.S. Consulate

MR. SPEAKER: The Honourable Leader of the Opposition.

HON. S. LYON: Mr. Speaker, I have a question for the First Minister. According to a Government News Service release of March 25th, the Minister of Natural Resources, Mr. Mackling, the Housing Minister, Mr. Storey and Mr. Scott, the MLA for Inkster represented Manitoba at a Federal-Provincial Meeting with External Affairs Minister MacEachen, Employment-Immigration Minister Axworthy, and Environment Minister John Roberts, with respect to a visit to Washington by MPs and MLAs which is being planned. Mr. Speaker, in view of the unfortunate circumstances of last week in which the Minister of Natural Resources and the Member for Inkster were both involved in an unseemly display in front of the American Consulate in Winnipeg, can the First Minister give the assurance to this House that neither the Minister nor Mr. Scott nor anyone else who was involved in that demonstration in front of the U.S. Consulate will be allowed to attempt to represent now the interests of Manitoba in this important matter of the Garrison Diversion?

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: No.

HON. S. LYON: Well, Mr. Speaker, a further question to the First Minister. In view of the fact that he has often been heard to say that his is a government of co-operation, conciliation, a government that listens, a government that is truly concerned about Manitobans, can he not see, Sir, that the damage that has been done to the credibility of this government by the participation of two of its Ministers and a good number of its backbenchers in this kind of an unfortunate incident, that damage now renders the participants in that event as really persona non grata in terms of future dealings with the United States and does he not agree, Sir, that the Garrison matter is too important to all Manitobans to have people going to Washington with this blight of anti-Americanism upon them?

HON. H. PAWLEY: Mr. Speaker, none of the members on this side of the Chamber have any blight of anti-Americanism in relationship to them. That's what the Leader of the Opposition is attempting to infer from his comments. Some members on this side of the Chamber, and I would assume that some members of the Federal Conservative Party as well, feel very strongly in regard to certain issues involving Central America. To so feel does not suggest that they are anti-American, they are pro-freedom, Mr. Speaker. No, Mr. Speaker, I have full confidence in the Minister of Natural Resources: doing the kind of responsible and excellent

job that he did, in fact, on his last visit to Washington, when he handled himself and led the committee in a very responsible way before the lawmakers of the United States.

HON. S. LYON: Well, Mr. Speaker, given the fact that the first responsibility of Ministers of the Government of Manitoba is to the people of Manitoba and to the public interest of Manitoba, notwithstanding their other views which some might consider wayward about Central America, will the First Minister not admit that in the public interest of the people of Manitoba, the Government of Manitoba would be well advised to change the leadership of its delegation and the complement of the delegation that goes down?

HON. H. PAWLEY: Mr. Speaker, it is solely because of the fact that this government does indeed accept its responsibility to Manitobans that it is encouraging and initiating such visits as this to Washington pertaining to Garrison. Unfortunately, prior to this government, such delegations did not take place at all, Mr. Speaker.

Mr. Speaker, I am satisfied that it is quite consistent with the responsibility of this government to the people of the Province of Manitoba to ensure that that delegation does indeed meet in Washington, meet with the lawmakers in Washington pertaining to the crucial concerns of Garrison. I have no doubt that the Minister of Natural Resources will handle himself with the same kind of commitment and dedication that he already has demonstrated pertaining to the Garrison issue in Washington.

HON. S. LYON: Well, Mr. Speaker, in view of the fact that in recent years at least, since the time of the Schreyer Government, during the time when I had the honour to lead the government and up until recently, there has been within this Legislature, a bipartisan view with respect to the Garrison, and there has been unanimity between the government and the opposition - whatever the government and the opposition party stripe might have been with respect to preserving the interests of Manitoba from the effects of the Garrison Diversion - will the First Minister, taking into account that fact, not guarantee to the people of Manitoba that it is important to continue that bipartisan interest and viewpoint being expressed in Washington or elsewhere and that in the interest of maintaining that bipartisan viewpoint, he should replace the head of the delegation?

HON. H. PAWLEY: Mr. Speaker, no.

HON. S. LYON: Well then, Mr. Speaker, is the First Minister saying that he is willing to put on the line the bipartisan support that is needed for the Garrison Diversion merely to cover up for the iniquities of one of his incompetent Ministers?

HON. H. PAWLEY: If that be the case, then it's the Leader of the Opposition that's putting that bipartisan approach on the line.

HON. S. LYON: Mr. Speaker, in view of the fact that, as Leader of the Opposition, I have attempted to apologize to the Government of the United States on

behalf of this side of the House, and the Legislature, will the First Minister not now see fit to join in that general apology, if he insists on maintaining, at the head of the delegation, somebody who is obviously unfit to do so?

HON. H. PAWLEY: Mr. Speaker, I must point out to the Honourable Leader of the Opposition that the U.S. lawmakers, whether it be in the U.S. Congress or the U.S. Senate, are not as narrow-minded as the Leader of the Opposition obviously thinks them to be.

HON. S. LYON: Mr. Speaker, in order to guarantee that Manitoba's interests be not further damaged by the wayward activities of his left-wing colleagues, will the First Minister of this province not issue a formal apology to the Government of the United States for the activities that his Ministers and his caucus members engaged in last week; will he not do at least that for the people of Manitoba?

HON. H. PAWLEY: Mr. Speaker, if either of my Ministers were involved in organizing, or knew of, or aided or abetted, a flag-burning incident I would so apologize. My information is that that is not the case. The Leader of the Opposition may do all that he wishes in order to try and create the opposite impression, but the information that I have is neither the Minister of Natural Resources, or the Minister of Economic Development, had any knowledge in advance, or participated, or aided or abetted, the flag burning incident any more than the Leader of the Opposition aided or abetted another flag burning incident in front of this Chamber.

HON. S. LYON: Are we to take it then, Mr. Speaker, that the First Minister, on this issue is prepared to say then, "To hell with the people of Manitoba; we'll look after Nicaragua first."

HON. H. PAWLEY: Mr. Speaker, it really doesn't deserve an answer because, unfortunately, it only represents the unfortunate twisted logic of the Leader of the Opposition.

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

Buy and Renovate Program

MR. G. MERCIER: Mr. Speaker, my question is to the Minister responsible for MHRC. Could the Minister advise the House how much money is being paid out under its Buy and Renovate Program with respect to buying and repairing city homes and, if so, how many applications have been approved under the program?

MR. SPEAKER: The Honourable Minister of Housing.

HON. J. STORIE: Thank you, Mr. Speaker. To the honourable member, I cannot give him a dollar figure. I know that money has flowed under the Buy and Renovate Program and that there are approximately 45 applications that have been approved under the program. The member may wish to know that the Buy and Renovate Program had some very limited objectives

when we initiated it. It was specifically designed to help encourage the rejuvenation of the inner city areas and, as he will be aware, that is it a complex issue.

The number of applications I think, while modest, is certainly encouraging and the program, I'm sure, because there is no deadline for it as in some of the other programs that had been announced from time to time, that it will continue to grow and improve the inner city areas.

MR. G. MERCIER: Mr. Speaker, I would ask the Minister to take as notice the question as to the amount of monies paid out under the program, and the actual number of applications under the program, Mr. Speaker; and I would ask him if the details of the program have now been finalized and, if so, when were they finalized; and how does he account for the seven-month delay with respect to Mr. Blanchette's application, who was a subject of news reports over the weekend?

HON. J. STORIE: Yes, Mr. Speaker, I will undertake to get the information the honourable member has requested with respect to the amount of money that has flown, and the applications. I should say that, with respect to the case that was mentioned in the Free Press on the weekend, that, while it is true that seven months has elapsed since the time the program was announced, that he will understand, and members of the public will understand, that because of the complexity of, first of all, enticing people into the core area and trying to regenerate that area, we have encountered a number of problems. I should say that the guidelines for the program were established in September and those guidelines have not changed, in terms of the price of the house, the amount of renovations.

In the particular instance that we are discussing, the applicant did not receive, prior to purchasing or beginning the renovations, approval from MHRC. The program is designed to work so that approval, in terms of a mortgage and the specific renovations, is supposed to proceed after we have done an initial inspection so we can establish the value of the property to make sure that it's within the guidelines, to establish the type of renovations that are going to be undertaken, so that we can establish: (a) whether those renovations are going to increase the longevity of the house significantly; and (b) whether if, in total, between the mortgage and the renovations, the individual is going to be able to afford that burden. This individual and a number of the other ones that have really been exceptions have created a good deal of confusion because of, I suppose, efforts on the part of staff to be as flexible as possible and to include as many people as possible.

This individual, not only proceeded in a very unusual manner, but he also proceeded to do some of the work under the SWEAT Equity Program which, again, is a complicating factor. We have to make sure that the work is done in an efficient and acceptable fashion, and that the lack of communication perhaps between the individual client and MHRC was not all it should have been.

MR. SPEAKER: Order please. If there is very much more to the question, perhaps the Honourable Minister

would care to put it in writing and deliver it to the honourable member.

The Honourable Member for Roblin-Russell.

Main Street Manitoba Program

MR. W. MCKENZIE: Thank you, Mr. Speaker. I have a question for the Minister in charge of the Main Street Manitoba Program which I believe is the Minister of Municipal Affairs. I wonder if the Honourable Minister can tell the House and the people of Roblin the reason or reasons why their application, under Main Street Manitoba, was turned down.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. A. ADAM: Mr. Speaker, I am aware that there are approximately 35 to 40 applications in the process of being dealt with. I'm not sure whether Roblin would be one of them. I can take that question as notice and get the particulars for the member as to why that particular program was not accepted at this time.

I would also say, Mr. Speaker, that on a number of occasions the applications that come in do not follow the guidelines. We may have applications from just the business people or we may have applications from just the municipalities and it has to be a complementary deal - one has to complement the other - and there may be some reasons along those lines why that application has been returned. But just the fact that they have been returned does not mean that they are completely rejected because there is follow-up to advise the applicants on how they should proceed if they want their application to be accepted.

MR. W. MCKENZIE: I thank the Honourable Minister for his comments, Mr. Speaker. Of course, I'm only referring to a Roblin news release which says their application was turned down. Could I ask the Honourable Minister if he's prepared to allow the Town of Roblin to proceed with the planned access for the physically handicapped sidewalk program that was included in their application? Can they proceed with that?

HON. A. ADAM: Mr. Speaker, indeed that is one of the suggestions that we have put forward as being part of a package. If business people wanted to adapt their business premises to allow for access to handicapped people, that is one of the areas that we have suggested and recommended in fact that they try to look at when they're looking at their storefront renovations.

However, the application has to come from the municipality and there have to be public expenditures on the side and private expenditures on the storefront side. So the application has to come from the municipality in co-operation with the business people or the development business people in the community, the Chamber of Commerce or whatever mechanism they have to deal with it. We cannot deal with one apart from the other.

MR. W. MCKENZIE: Thank you, Mr. Speaker. Can I ask the Minister, in view of the disappointment and the

disbelief that's been expressed in the area, is the Minister prepared to sit down with, say, five of the eleven applicants in Roblin who have commenced their renovations and are trying to put some of Manitoba's unemployed people to work - is he prepared to sit down with them at the earliest possible date so they can carry on with what they've already started?

HON. A. ADAM: Mr. Speaker, one of the guidelines that we have discussed with the municipal people and business people out there is that there will be no improvements to private property which will qualify for grants until a total package has been approved. It is not a retroactive program, Mr. Speaker, and that is why they should start sitting down with council and developing a total program, because it's not a simple matter to upgrade a complete downtown centre. It has to be well thought out and it's almost as difficult as planning a subdivision or a planning district to completely upgrade and renovate a downtown area. It takes a lot of planning, it takes a lot of time; and for those reasons, I want to say that I personally do not get involved myself in dealing with the different municipalities or the business people. That is handled by the Department of Budget and Finances of the Department of Municipal Affairs.

MR. W. MCKENZIE: I thank the Minister. For the final question, is the Minister telling me and the people of this province and the Town of Roblin that he as Minister has nothing to do with this program?

HON. A. ADAM: I said no such thing, Mr. Speaker. It is under the Department of Municipal Affairs. I indicated that I do not get involved in the day-to-day operations of the program; I do not review the applications; I don't see them. We have the Department of Budget and Finance that reviews the program. We have the planning people out in the districts that go in and work with the different communities. That's the way the program should operate and that's the way it'll continue to operate, Mr. Speaker.

Closure of obstetrical units

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. SHERMAN: Mr. Speaker, I'd like to ask the Honourable Minister of Health what steps are being taken at St. Boniface and the Health Sciences Centre to accommodate the planned obstetrical closures at Seven Oaks and Concordia Hospitals?

MR. SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Mr. Speaker, I think that I gave the guidelines of what would be done. There are meetings going on now with these hospitals to make sure that it's done in an orderly fashion. I'll be in a better position to report during the Estimates which, I believe, start next.

MR. L. SHERMAN: Mr. Speaker, can the Minister of Health confirm that among the steps that are being

taken is the expansion of the St. Boniface obstetrical unit by the opening of 12 new beds?

HON. L. DESJARDINS: There is nothing going on at this time. As I say, this will be closed somewhere around June, but I believe that's the amount of new beds that will be opened at St. Boniface.

MR. L. SHERMAN: Mr. Speaker, can the Minister reconfirm to this House that he intends to save some \$750,000 to \$800,000 as a consequence of closing Seven Oaks and Concordia, and can he confirm to this House that a number of new steps have to be taken at the Health Sciences Centre and St. Boniface, both of which will cost substantial sums of money?

HON. L. DESJARDINS: Mr. Speaker, the overall saving, after the expense necessary to complete the program, will be approximate \$800,000.00.

MR. L. SHERMAN: A final supplementary, Mr. Speaker, can the Minister confirm that Seven Oaks Hospital at least has, as yet, still received no written communication whatsoever from the Health Services Commission, or the Minister's office, with respect to the plans that the Minister has announced?

HON. L. DESJARDINS: Mr. Speaker, I don't know if they've received written communication from the Commission, but I know that they have had a meeting with the Commission, and I know that I met with them and they were properly informed of what was going on.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

Payroll tax rebate

MR. B. RANSOM: Mr. Speaker, my question is to the Minister of Finance. Has the Federal Government agreed to remit the 1.5 percent payroll tax to the province?

MR. SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: Mr. Speaker, I thank the member for the question. As I understand the situation, as of right now, the Federal Cabinet had approved last Thursday of a payment to the province, in lieu of the Health and Education Levy, a payment which would be in the identical amount as they would have paid under that levy, and I've indicated I don't care what they call it as long as they send the money.

MR. A. RANSOM: Mr. Speaker, the Minister I understand then is confirming that this payment is being made in the same way that any senior government makes grants in lieu to a junior government, rather than being something that the province had the right legally to apply.

Mr. Speaker, then a supplementary question to the Minister. I believe he indicated that the amount of money coming to the province would be the same. Has the

province made any concession to the Federal Government by way of tax-sharing agreement?

HON. V. SCHROEDER: No, Mr. Speaker, there is a tax-sharing agreement in place that had been signed several weeks ago, in fact, I have copies here, I'll send a copy to the honourable member. That has to do with a number of other taxes which we had referred to in the 1982-83 Budget. We wanted that tax agreement to be in effect as of October 1, 1982. We didn't get federal agreement to do that but we have agreement now for April 1, 1983, but that agreement does not deal with this document, in fact, there is no document, other than a telegram which I just received as I was coming into question period this afternoon, from the Federal Minister of Finance. There is nothing that we have signed, they've just simply told us that they are prepared to pay this levy in the manner that they've suggested; and, yes, they did mention that it was in the way that senior governments pay municipal taxes. It has been their position all along that they need not pay it, but we had indications that they would pay it. It's been our position all along that we think that there are also grounds for saying that legally there is a requirement, but we don't want to get into that argument as long as they are paying.

MR. B. RANSOM: Mr. Speaker, can the Minister advise the House then what will be the net return to the Provincial Government during fiscal 1983-84 concerning the payroll tax and the tax-sharing agreement?

HON. V. SCHROEDER: I would have to take that as notice because, although the Federal Government talked about this being \$7 million, approximately, and the tax-sharing agreement we've estimated at approximately \$4 million net revenue to the province, in addition to that there are some Crown Corporations which had not been paying. That is, some had been paying - Air Canada and C.N. - had been paying it throughout and there were several Crown Corporations that had not been paying it at all, and some that had been paying it for some period of time. So we would have to add that to the \$7 million and \$4 million, but I'll get a specific answer to the honourable member as soon as I get it.

While I'm up, he had asked last week about how much money we had borrowed last year from the United States. I'm told that it's \$200 million U.S. Our intention for this coming year - we don't have a specific number in mind - but we do have a \$500-million shelf registration in New York presently, and it will depend on, basically, the world market.

MR. B. RANSOM: Mr. Speaker, we would appreciate receiving that detailed information from the Minister concerning those tax sharing agreements.

Could the Minister advise the House what will be the case with respect to 1982-83? The Minister has said that some of the Crown corporations of the Federal Government have paid the tax. My understanding is that the Federal Government itself has not paid the tax. What will be the overall situation with respect to fiscal 1982-83?

HON. V. SCHROEDER: Mr. Speaker, at this point we expect that because there is approximately nine months

involved, the Federal Government has so far taken the position that it will not pay that money. We don't expect that they would at this point now, voluntarily agree to pay it. That would be either a loss to the taxpayers of Manitoba in the vicinity of \$5 million or \$6 million approximately and that's just an estimate. If we chose to take it through the courts, which is something that certainly we've made no decision on, then that could change that number.

MR. B. RANSOM: Mr. Speaker, a final question for the Minister of Finance. Since it seemed evident to members on this side of the House and to the Federal Government that the province indeed had no legal authority to apply that tax to the Federal Government, would it not have been in the interests of the people of Manitoba for the Minister of Finance to have gone to the Federal Government and discussed it with them before attempting to impose this tax last May? Had the Minister done that, does he not think that there might have been some possibility that he might have gotten the \$5 million to \$6 million which he estimates will now be lost to the people of Manitoba?

HON. V. SCHROEDER: Well, Mr. Speaker, we have said that we believe we have the legal right. We did contact the Federal Government right after the Budget. I would say though, that if you look at our record with the Federal Government, they are now paying. That is something that I don't believe that group would have been able to negotiate, in view of the fact that when the Member for Turtle Mountain was Finance Minister, there were some of his compatriots in the Federal Government that he wasn't prepared to talk with anymore. They were in that kind of a relationship. We've done this; we've gotten this money out of Ottawa, whether it's voluntarily or because they felt that they had a legal responsibility to pay it.

We have also, at the same time, renegotiated the Equalization Agreement with Ottawa in such a way that we got a tremendous safety net, which I don't believe that group would have gotten had they remained in office. I believe the net effect of our co-operative stance with Ottawa has been beneficial to the taxpayers of the Province of Manitoba.

MR. B. RANSOM: Mr. Speaker, just so that there should be no misunderstanding - the record should be clear - our government would not have imposed the iniquitous payroll tax.

HON. V. SCHROEDER: Thank you, Mr. Speaker, in answer to that question, I would then challenge the members to tell us where they would have either cut \$110 million of spending for the next year, or where they would have imposed an additional tax of \$110 million elsewhere, or whether they would have had an additional more than \$100-million deficit? They can't have it each way, Mr. Speaker.

ORDERS OF THE DAY

MR. SPEAKER: The Honourable Government House Leader.

HON. R. PENNER: Mr. Speaker, I move, seconded by the Minister of Finance that Mr. Speaker do now leave

the Chair, and the House resolve itself into a Committee to consider Ways and Means for raising of the Supply to be granted to Her Majesty.

MOTION presented and carried. and the House resolved itself into a Committee to consider of the Ways and Means for raising of the Supply to be granted to Her Majesty with the Honourable Member for River East in the Chair.

COMMITTEE OF WAYS AND MEANS

MR. SPEAKER: The Honourable Member for River East.

MR. CHAIRMAN, P. EYLER: Committee will come to order. We are considering the Resolution on Capital Supply.

Resolved that towards making good certain sums of money for capital purposes, the sum of \$30 million be granted out of the Consolidated Fund.

The Minister of Health.

HON. L. DESJARDINS: Mr. Chairman, my Estimates will be dealt with in the very near future, so I am not going to take too much time in this debate. I think there was an agreement between the two parties, but that should be dealt with as fast as possible or make sure that it passes this today, I believe; but the Member for Fort Garry felt that he had to place on the record certain statements, certain accusations, and I feel that it hasn't been too factual at times and that certainly some of his statements have been misleading. I feel that I have been misquoted, so I would like to take a few minutes to make these corrections and talk about the statements that were made last Friday afternoon.

I think the general gist of the remarks seems to be there were rumours that there seems to be an indication, or people were concerned, that there were certain cuts in health care in this year with this government. I think that maybe I should remind them of the percentage increase over last year and over two years ago in this department. I think it is a concern that's much more than we've had before. We could talk also of the total amount of money that's gone past a billion dollars for the first time. I think we should also remind the members of this committee that just unfortunately at the time there was a change in government, there was also a change in the system that the Federal Government adopted to pass on the funds for the provinces to deal with in finance, education and health.

I might say to the Member for Fort Garry, and I believe he knows this already, that in the next five years the Province of Manitoba will lose approximately \$700 million. I think that is something that should not be forgotten; it would be easy, and it would pay part of the deficit that we're having now in our Budget, or certainly it could introduce many, many programs. This was the \$700,000. We can compare the set-up that happened during my four years when we were out of office and the first year when we came back in office.

Now, there were a few things that I wanted to address specifically. I think the Member for Fort Garry - and if there was some misunderstanding, I apologize and I would want to make it quite clear what I said and what

I meant. The Member for Fort Garry said that I had given notice that I will not answer questions, or that I will refuse to answer questions in this House. There were two incidents, I think, that there was something said about that. The first time was after the strike, the engineers at the Health Sciences Centre, where two days in a row there were two different incidents that were brought in by the Member for Fort Garry in the House, and it came out as a pretty strong accusation on the ambulance operators of the City of Winnipeg. On both instances, I checked, and in all fairness to the member, he did state that this was the information he had received. I don't hold him responsible for that. I did check and it certainly was apparent that the information had not been factual, had not been completely correct.

Now, when I did give the answer to the second case, the member wasn't in the House. He came in approximately the time that I had finished giving the answer and I don't know if he misunderstood what I said. What I said is that I didn't think - I suggested to the member that in the future maybe he should check privately with me before leaving something that becomes an accusation against certain people, especially when it's not factual. It seems to me, as I said, he missed part of this conversation, and I don't know if he took it the wrong way but he wasn't very happy with that. In responding to him, I did state if that was the case, I would not check on anything unless the names would be brought in, or if it was clear beforehand, to make sure that it was factual. Now, I think that's only fair. You can go ahead and stand up in this House and you can say, well, I'm not sure if that's true, but this is what people tell me, and then you can make any statement at all. I don't think that's fair, especially when twice in a row, it was certainly found out that there was no case at all and it wasn't factual.

That is what I stated. I suggested in a friendly way to the Member for Fort Garry, please contact me before; we'll check into it and if there's something wrong, go ahead, bring it in the House; but if not, to protect these people, wait, and it seemed that was refused. As I say, he came in the House about that time and I said, all right then, if that's the case, I'm not going to check anything unless you give me the name publicly. If somebody wants to accuse somebody or leave a bad name for somebody, well, then they should give their name.

Now, there is another point that I want to explain. I think another time I did say that I am not going to accept the responsibility of every hospital, and so on, and I do not intend to go into all the details. That I did say and I mean that. I said at the time that I felt - I know the Member for Fort Garry is not happy when he thinks back of all the accusations that he had when he was sitting on this side - I say to them, check back and see how many I made. Now, I think this is something that we all go through. I know that the Member for Fort Garry is being much more responsible - well, maybe the word is not responsible because I think that he felt he was responsible at the time - but the point is he hasn't been the same since he's had his chance to be in the hot seat of the Minister of Health. I know that when I started in this House, the first year, I was a real crusader also, and I now realize that I have matured;

I have had experience, there are certain things that I look at differently, and I have had the responsibility of a Cabinet Minister. This is the point that I think is very important.

These accusations were brought upon the former Minister of Health because of his actions. I think in any question that was brought in, he took that as an insult to himself. At no time did he say he was going to guarantee things that didn't stand up. He was taking more than he could chew and he was a one-man show. I think that was a mistake; this is where I meant that he was sucked in. I think it was a mistake. There are boards; there are administrators who are well paid - paid a hell of a lot more than I am getting - to run hospitals, and I think that they have to accept responsibilities where their government are there, and the same people who are telling us now, you've got to be able to answer all these things, they are the first ones that would tell us off - Big Government, you're trying to run everything! You don't have any confidence in the people that are on boards.

It's the same thing as the different school boards; it's the same thing as municipal boards. There are people that are there and they have a role to play. So I will repeat, I'll take my responsibility; I'll certainly look after the standards. If there's any concern or anybody needs help, we will see what we can do. We will discuss anything with anybody, but I will not personally take all the responsibility that does belong to a board. I want to make that very clear.

The former Minister chose to do that. That was his business. I also mentioned that he was a consultant. I want to say that I was not saying that; I wasn't intending to be funny or sarcastic. I know that he is and I think he can do a good job, providing he is then ready to look at the challenge that he issued just last year when he said that we would have to work together, that it would be difficult, and that we have to safeguard and to save the medicare program and hospitalization program, because that's exactly what we'll have to do.

There is no doubt in my mind at all that some programs will be cancelled that the hospitals and the department will repriorize, and that there are some programs that will no longer be fulfilled. There is no doubt in my mind at all that this is the case and I think it is exactly the challenge that the member was leaving with us last year. Now, I'm not suggesting for a minute, how dare you criticize me. I've been around too long. I think that's the only way to keep the government on their toes. I expect that from certain hatchet men, some of the younger members who want to make a name, they're going to attack, and that's fair. I did the same thing when I started, and the Member for Fort Garry did the same thing a few years ago, but I think the serious, responsible discussion will be at the level of the Member for Fort Garry and myself. That doesn't mean I will be immune from any criticism at all, but I expect that it'll be constructive criticism as he said that he would last year.

For that, the member will have to learn something, that he cannot be on every side of every issue, but unfortunately - you know, I envy him his facility with words; I wish that I was gifted to communicate my thoughts as easily as he can; I envy him on that - but he has the responsibility. I think that being gifted, I think he has to make himself quite clear, and he can't

be on every side of every issue. Unfortunately, that is the case. He'll get up and say, fine, he understands that this is the right direction that we're going to close some beds; the next day, well, then he's not too sure. He's done that on everything else except, I should say, on the question of arbitration. Fine. I'll challenge him along the way, too. He's there to challenge me; he's there to keep me on my toes, but I promise that I will do the same things. Every time that he or any members in this House are going to talk about new programs, I will ask them which one they would like to discontinue to replace it, or I will ask him if they've changed their minds, that yes, but you want a deficit. — (Interjection) — I don't care if it's Grade 3 or kindergarten.

The member that is speaking now is the one that's saying that we should have a balanced Budget. Well, my Budget for my department is approximately one-third of the total Budget; so, therefore, that's part of the money that we should have. I want to ask the member — (Interjection) — All right, I want to ask you, which one would you want us to cancel?

A MEMBER: I'm sure you ran your business that way.

HON. L. DESJARDINS: Well, I'm inviting you. You are saying that you want a balanced Budget. I'm not saying you're wrong. I'm telling you - tell me how you would balance it, tell me which hospital you'd close. Now, when I talk about closing beds, you people are saying, hey, look at what's - you can't have it both ways. Never mind shaking your head. You can't have it both ways. You can't just reduce the deficit or do away with the deficit and have more programs than we have now and not close anything. Well, that's childish. I challenge him; he doesn't want to answer that. Well, all right, how would you do away with the deficit? I'm asking you.

A MEMBER: ManOil.

HON. L. DESJARDINS: Oh, ManOil. In other words, you'd invite people in and they take all the profit, take it with them, and go and invest in somebody else, and have our people working at slave labour. Well, that's not the way we want it.

The Leader of the Opposition here made a big thing about all these projects. I mentioned, now he's in the House, that I talked to the vice-president of Alcan. He told me that wasn't the case at all, that there would be nothing changed, that they didn't need it, there was no market, and you know that's true.

SOME HONOURABLE MEMBERS: Oh, oh!

A MEMBER: No jobs, no jobs.

HON. L. DESJARDINS: Tell me in what country where there's only - you know, we're just an island of socialism here in this country and in North America. Tell me, in North America, where they have all kinds of jobs that there's no unemployed. — (Interjection) — I'm not talking about Cuba; I'm talking about here. I don't know anything about Cuba. I'm not talking anything about Cuba; I'm talking about here.

Tell me which province where they have all kinds of jobs. Tell me if in the United States, in some of the

states, that they have no people out of work. We said that we would do everything possible to try to . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. CHAIRMAN: Order please.

HON. L. DESJARDINS: Well, anybody that believes that any group, especially in an island, that anybody in conditions like we have today and say we'll do away with all employment, if they take that literally, if that's what they meant; but the people that count didn't understand it like that, and you're sitting there and we're sitting here because they know we're going to do everything possible to reverse this kind of decision that you had and the Reaganomics and all that. That's exactly what's happening.

A MEMBER: There are enough problems with hospital beds.

HON. L. DESJARDINS: I have no problems at all with hospital beds, none at all; no problems at all. I think that in health, what did we do? When I talked about closing beds, I said that we had new programs; programs that you approve. I certainly have no trouble with that. Of course, we're going to reprioritize. Of course, we're going to do that. You're going to hear that we're going to probably close other beds. I would hope that we will do, if there's beds that are not being used, I hope that we will close them.

MR. A. DRIEDGER: Is that the same as restraint?

HON. L. DESJARDINS: No, no quite, because restraint would be something like what happened in this province in 1977, without a steady anything; everything was frozen, and repriorize and say you're going to cancel this, but you're going to have this program.

A MEMBER: Shell game.

HON. L. DESJARDINS: Well, shell game if you want, if that's how you look at improving the health care. If you want to call it shell game, well, it's better than freeze game. That's exactly what happened. It's not the same thing at all.

On one hand, you're saying you're got a deficit, you should stop this deficit. Then, you're saying you're cutting down on health care, you shouldn't do that. Make up your mind. You shouldn't have this tax either; you don't believe in the levy either. You can't have it both ways. — (Interjection) — That's right, and you don't like it because you can't answer that. Tell me how you can finance programs, cut tax, and not have a deficit, and add instead of take anything away. If you tell me how you can do that . . .

A MEMBER: You told us.

HON. L. DESJARDINS: No, no, nobody said it could be done.

MR. CHAIRMAN: Order please.

HON. L. DESJARDINS: Well, I'll be very careful to say it can be done. I'm very interested if she said that.

Well, Mr. Chairman, I'm getting - talk about being sucked in, I think I'm being sucked in because I had in mind to just get up a few minutes but I want to finish, take another few minutes because I'll have a chance when we look at the Estimates to debate that. Mr. Chairman, better still, because I am taking too much time, I'll refrain and I'll wait till we go into the Estimates of the department.

MR. A. RANSOM: Mr. Chairman, I have a question for the Minister of Finance. In his speech to the House on the 15th of March he made reference to departmental Capital spending in 1983 of \$251 million. I would like the Minister of Finance to direct me to where that listing of Capital is available?

HON. V. SCHROEDER: Mr. Chairman, you could add that up but I do have the numbers here, if the member has some other questions he wants to ask maybe he could put them on the record and while he's asking I will locate the answer.

MR. A. RANSOM: Mr. Chairman, I don't really need the exact figures. What I need is the direction, from the Minister of Finance, as to where that information was published. Is it in the Estimates of spending last year, as I'm quite capable of looking it up myself if the Minister will just direct me to where it was published.

HON. V. SCHROEDER: Yes, Mr. Chairman, I would refer him to Page 23 of the Budget for 1982-83 and, under Budgetary Positions - Summary the last paragraph reads as follows: "This deficit total is closely comparable with last year's, both in terms of its size relative to total expenditures and in terms of the shares of the Current and Capital components; at \$251 million Budgetary Capital Expenditures represent about 75 percent of the deficit."

MR. A. RANSOM: Mr. Chairman, is the Minister telling me that's the published reference of where one would find the listing of what constituted Capital spending in 1982-83?

HON. V. SCHROEDER: Mr. Chairman, certainly that is one place where you look. There may be others, I don't say that there are or are not, however, also on Page 9 of that same document, near the bottom, we say, "In total we estimate that the combined Capital expenditures of government departments and Crown corporations will exceed \$700 million." That number, and the \$251 million, it may be that the \$251 million was not floated out in the public very much. Certainly, it was a number that I was quite familiar with within the department, and certainly it is a number that appeared in Hansard, and appeared in the Budget document, and I would have assumed that the Finance critic would have noticed that number.

MR. A. RANSOM: Mr. Chairman, it's been traditional, in my experience, that when an item of expenditure is planned, that it has always been listed in the Main Estimates of Expenditure, and that one is able to find

it there. That is where one goes to find how much the government is spending and in most departments the Main Estimates of Expenditure always included an item for Acquisition and Construction which was always considered to be the Capital item, in my understanding, Mr. Chairman. So now, I would simply like for the Minister to confirm that there is no other place where one can actually find a listing of Capital expenditure that totals to \$251 million and that, in fact, the only reference to that was a reference of simply a total figure given to us by the Minister of Finance, but one that is not verifiable in any way by a search of the departmental spending estimates.

HON. V. SCHROEDER: Mr. Chairman, for last year I am aware of no way in which the numbers were changed from the previous year. In 1981-82, for instance, we know that at the end of the year the public accounts, and I've referred to this before, which showed the statement of Acquisition and Construction of Physical Assets of the Government of the Province of Manitoba for the year ended March 31, 1982, and it is true that that document came out after the end of the year, but it is available and I would refer the honourable member to that document similarly for the year ended March 31, 1981. There is an identical document, both of which had items in Capital that we have taken out; both of which had items with respect to certain activities, with respect to the Department of Highways, that we did not believe were legitimate Capital expenses and we took them out.

I've also mentioned in the House, I'm sure the member has read my statements with respect thereto, that he had the matter of highways maintenance brought to his attention, when he was Finance Minister, and refused to take that number out of the appropriation in which it was found, he refused to take that number into a position where it would be clearly identified, or a portion of it identified, as Current. Certainly some of it could legitimately be argued to be of a nature which would provide an asset existing for longer than a one-year term and that is the definition of Capital.

We haven't changed the definition so you could argue that some of it should have been Capital, but there is no question that the Member for Pembina was absolutely correct when he pointed out to the Member for Turtle Mountain that he couldn't justify all of it, and I can't justify all of it. I've taken some out and I've indicated to the House that I'm prepared to take more out. I've also indicated to the House that we are prepared to make a better statement as to what is Current and what is Capital. We have begun, we will be looking through the numbers we have this year presented. I believe there is already a public document with respect to our \$316 million, and I've indicated that compared to that last year, if we would have used the same classification, not the same definition, because we used the same definition last year, we would have had approximately \$306 million that we were proposing at the beginning of the year to spend on Departmental Capital.

MR. B. RANSOM: Mr. Chairman, I'd just like to correct the Minister on his reference to any changes that were made while I was Minister of Finance. There were no changes made in the presentation of the Estimates.

That possibility was being put forward by the previous Minister of Finance, and I remind the the present Minister that I took over about the 15th of January or some such thing, and subsequently, and I mentioned this when I spoke a couple of weeks ago in discussion with the Member for Pembina, then Minister of Highways, that it was agreed that, irrespective of what was in Public Accounts, it would not be a proper presentation for the Estimates and so it wasn't changed.

But my question to the Minister here is, since he has referred to \$251 million of Capital spending, I want to know, Mr. Chairman, where I can verify that there were, indeed, \$251 million devoted to Capital spending, because I can see in this year's Estimates where \$316 million of Capital items are being singled out, and I can see, on Page 2 of this year's Estimates, where a comparison was made that it would have been \$306 million for last year. I can see that when I go to the '82-83 Spending Estimates that I can verify that there was something in the range of \$174 million or \$175 million spent on Acquisition and Construction items which is normally considered Capital; what I can't seem to find is any place where I can verify that there was, as the Minister says, \$251 million, and therefore, I would like the Minister to show me, to direct me to the place, where I can verify that his figure of \$251 million is correct, or whether it's incorrect.

HON. V. SCHROEDER: Mr. Chairman, I do have a table, I just can't seem to get my hands on it, I know it's here in the House somewhere. But I also do have, because I was quite sure that the topic would come up, another letter from the Auditor dealing with that whole issue of highway maintenance. I had written to him, after the issue arose in the press a few weeks ago, and I will quote the letter. It is dated March 15, 1983 and I will provide the House with a copy of my letter:

"In light of recent questions regarding the treatment of Maintenance Expenditures in the Department of Highways and Transportation, I think it would be useful to have a report from your office indicating precisely how such expenditures have been treated in the last 10 years.

"My understanding is that such expenditures had been included in Current spending throughout the 1970's until the former Progressive Conservative Government reorganized the province's accounts. Moreover, I understand that, at the same time as the former government implemented those accounting changes, it commenced the inclusion of Maintenance Expenditures in Capital spending.

"I also understand that for the coming fiscal year the province has changed the allocation of certain of these Maintenance Expenditures from Capital to Operating, in marked contrast to the impression which might be generated from recent comments.

"I would, therefore, ask you to prepare a report on the allocation of Maintenance Expenditures in the Department of Highways and Transportation over each of the last 10 years showing the magnitude of Maintenance Expenditures, and the extent to which these expenditures were allocated to Current or Capital.

"I believe such a report would be helpful for the Public Accounts Committee and, depending on the

timing of completion of the report, it could be sent directly to members of the committee or to me."

I received this report a few days ago, March 24, from the Auditor:

"In reply to your letter to me dated March 15th, 1983, concerning the treatment of Maintenance Expenditures of the Department of Highways and Transportation for the last 10 years, I have now reviewed the treatment of these expenditures in the Public Accounts for the last eight completed fiscal years, the fiscal years ended March 31st, 1975 to March 31st, 1982, and the treatment of them in the Estimates for the two subsequent fiscal years March 31st, 1983 and March 31st, 1984.

"The following paragraphs and the attached schedule provide comments and explanations regarding this matter:

"For the fiscal years ended March 31st, 1975 to March 31st, 1978 the treatment was in accordance with the requirements of The Financial Administration Act, prior to its amendment in 1979. The Act provided for the Consolidated Fund to be divided into three divisions; Capital Division, Revenue Division, and Trust and Special Division. The Highway Maintenance Expenditures were processed through the Revenue Division. Some of the Highways Construction Expenditures were also processed through the Revenue Division, and the remainder of the Highways Construction Expenditures were processed through the Capital Division. The particulars of the expenditures for this period are set out in the attached schedule, Section A.

"In 1979 The Financial Administration Act was amended to remove the requirement for the division of the Consolidated Fund. However, as a matter of accounting policy, the Department of Finance divided the Consolidated Fund into an Operating Fund and a Trust Fund. For the fiscal years ended March 31st, 1979 to March 31st, 1982, the treatment in the Public Accounts was in accordance with the aforementioned policy, with the Highways Maintenance and the Highways Construction Expenditures being processed through the Operating Fund. The particulars of the Expenditures are set out in the attached schedule, Schedule B.

"For the fiscal years ended March 31st, 1979 to March 31st, 1982, the main financial statements in the Public Accounts did not break down expenditures between Capital and Other. However, a Subsidiary Statement was included in the Public Accounts entitled, "Acquisition/Construction of Physical Assets." This statement not only included the Highways Construction Expenditures but also the Highways Maintenance Expenditures.

"The accounting policies stated in the Public Accounts included the following definition:

"A separate category of expenditure called, Acquisition/Construction of Physical Assets, has been established to record property acquired for use by the government, both real and chattels, which normally have an economic life in excess of one year."

"We have not been provided with an explanation why Highways Maintenance Expenditures, which do not meet the aforementioned definition, were included in this Subsidiary Statement; unfortunately, the audit process did not detect this error. Steps have now been taken

to minimize the possibility for errors in the Subsidiary Statements in the Public Accounts being made and undetected in the future.

"The Estimates for Highways Expenditures for the fiscal year ending March 31st, 1983 were approved by the Legislature on the same basis as those for the fiscal year ended March 31st, 1982. The Subsidiary Statement in the Public Accounts for the fiscal year ended March 31st, 1983 concerning Acquisition/Construction of Physical Assets should not include Highways Maintenance Expenditures. The Estimates for Highways Expenditures for the fiscal year ending March 31st, 1983 were covered by four appropriations: Maintenance, Highways and Airports of \$49.8 million; Assistance Programs of \$6.3 million; Construction of Provincial Trunk Highways, Provincial Roads and Related Projects of \$100 million and Acquisition/Construction of Physical Assets of \$7.4 million.

"The estimates for Highways Expenditures for the fiscal year ending March 31st, 1984 are covered by two appropriations - Operations, Highways and Airports of \$4.9 million; and expenditures related to Capital Assets of \$153.3 million, which includes Highways Maintenance Expenditures of \$49.9 million.

"The Summary Estimates of Expenditure for the fiscal year ending March 31st, 1984 includes a breakdown between Operating Expenditures and Expenditures related to Capital Assets; this is a useful breakdown. However, as a further improvement, consideration could be given to possibly modifying the wording, Operating Expenditures which would be more descriptive of these expenditures. A significant amount of these expenditures also provides substantial future benefits such as development of human resources through education. The breakdown of expenditures between Capital and Other should also be made in accordance with stated accounting policies. I have been advised that these matters are receiving appropriate attention.

"Should you wish to discuss these matters with me, I would be pleased to do so at your convenience. I would also be pleased to provide any additional information and explanations which may be required. Yours truly, Mr. Ziprick."

I will table this document. Mr. Chairman, that demonstrates what has taken place over the last few years. Under the Schreyer Government, we had Highways Maintenance in Current Expenditures. Under the previous government in 1979, that was changed and it was brought into Capital, although no public statement was ever made with respect to that and each year's Public Accounts document show that that is what happened. Each year's Public Accounts documents very clearly indicate that that was considered as part of their departmental Capital. The Member for Turtle Mountain became Minister of Finance in January of 1981 and I certainly don't doubt for one second that he was not aware that this had taken place. Indeed, I was not aware that it had taken place when we were looking at items to take out of the Highways and indeed we were looking to see whether there was anything that could be put in.

I do not criticize him for what took place. I do question however that it did take place several years before that. It wasn't his doing; it was the doing of another person who is no longer a Member of this Assembly, but it was done nonetheless. When the matter was raised

this year and I said we haven't changed anything, I heard some vicious, ugly, dirty, nasty talk about fudging the books, when in fact it was us who had changed the books to try to make it more clear.

The Member for Pembina in his vicious, underhanded way, just simply refused to accept a simple explanation that we had not attempted to do anything underhanded, that we were going along with these Estimates and trying to make them more understandable for Manitobans. We've had rating agencies telling us that they are now more understandable for them than they were previously. We feel that there are improvements that we can make, yes. But I am getting a little bit annoyed about hearing - and to be fair not from the Member for Turtle Mountain since he first raised the issue of the \$840 million versus the \$700 million, etc. When it was explained, he, as I would have expected of him, waited until he had an opportunity to ask questions. He may still believe that he is right, and certainly he has the right to ask those questions and determine that issue for himself, but he's had the decency not to run around the province making stupid statements, as the Member for Pembina has done in the last little while, without any understanding of the issues involved. If I am getting a little annoyed, I think I have every reason to.

MR. B. RANSOM: Mr. Chairman, it really hadn't been my intention to get very far into the debate on this subject today with Public Accounts being a good forum for this when the Auditor is present and, of course, the Minister's Estimates will be another opportunity. But I do have to persist in one or two questions to the Minister, and I have to make some explanations to offset the misimpression that might be left by some of the things the Minister said.

First of all, I would point out to him - and I think he's aware of this - that as Minister of Finance, I had nothing to do with the presentation of items in Public Accounts. I would hope that he as Minister of Finance has nothing to do with how items are presented in Public Accounts. That largely has been the responsibility of the Auditor in saying how the Public Accounts are prepared. But, the preparation of the spending Estimates of government of course, is entirely another question. That is an area which the Minister is responsible for and an area which I was responsible for, and an area where no changes were made in the presentation of Capital.

I might say that it was perhaps not completely academic but somewhat academic, in terms of what was included in Capital and what was not because we didn't distinguish in the presentation of it on the bottom line. We said what really matters is how much money the people are going to have to raise. I don't think, Mr. Chairman, that the Minister will find in my Budget of 1981 where there was any breakdown of Capital of saying, oh well we'll have a deficit of this much but so much of it is Capital. I don't believe that's in the Budget at all because we dealt with the bottom line. Now, if you look at the spending Estimates, there are items in some departments of Acquisition/Construction. We used to go through those items in the Estimates in some detail over drainage and parks programs and highways and those sorts of things, fine. Those items

were all presented in the spending Estimates and they could be identified and that definition to the best of my knowledge never changed from 1978 on through, until this year.

A MEMBER: Now the fudging starts. Minister of Fudge.

MR. B. RANSOM: Now the Minister has changed that presentation because, Mr. Chairman, it is evident in his presentation of the spending Estimates that there is a different figure. By his own definition, there is a different figure. There is \$306 million showing now. He says there was \$251 million last year, but that's a figure that I can't verify. That's what concerns me, Mr. Chairman.

MR. H. ENNS: That's where the fudge comes in.

MR. B. RANSOM: That's the question that I really ask the Minister. I appreciate the fact that he has read all the other information into the record and provided us with copies. We will deal with that in Public Accounts. But my question to the Minister was, where can I find in a public presentation, Capital which totaled up to \$251 million in the government's presentation of information for the year 1982-83.

HON. V. SCHROEDER: Mr. Chairman, I'll be providing the member with that information if it hasn't been made public prior to this. I would say though, that if says that there was never any - and I haven't had a chance to really research this because he just made the statement. But he made the statement to this committee that his government never distinguished between Current and Capital. I don't know; he may be right for his Budget. I know that in the 1980 Budget I just refer to Page 37 of that Budget, where they indicate what the deficit is and about the fifth paragraph down, the Minister of Finance said at that time quote, "In addition, the deficit continues to be entirely for Capital purposes as opposed to Current operations." So, it may well be that he didn't do it in his Budget; I haven't been able to find anything that indicates he did. But certainly the Minister prior to him did very clearly differentiate between Current and Capital and it may be that, Mr. Chairman . . .

A MEMBER: Ignorance is bliss. Let him be happy.

HON. V. SCHROEDER: I certainly hope that the Member for Pembina becomes the Leader of the Conservative Party, that will ensure that they will never be anything but a third party in this province again until he leaves that organization.

I will, Mr. Chairman, provide the Member for Turtle Mountain with the listing if it hasn't been made public. I know his response will be that if it hasn't been made public, how was I expected to know that it was \$251 million. My response to that is very simply that I've already read out to him the quotation in my Budget Address where I used the number \$251 million. That was the number we were going with. If he wanted to know what was contained within the \$251 million Capital he had only to ask and it might not be immediately made available to him, but within a few weeks or a few months it would have been made available to him as it now will be because he asked for it.

MR. A. RANSOM: Mr. Chairman, the Minister of Finance should be aware that there have been a number of figures which he has used that we have taken some exception to and I would like it to be so, that when the Minister of Finance said that such-and-such was so that I could believe that was the case. But, Mr. Chairman, I must say that during the year-and-a-half of this Minister of Finance, we have come to question whether or not some of the things are as this Minister says they are. I would just point out to him then that I was referring to my Budget, first of all, but in terms of the previous years I think he will find that the items identified in the spending Estimates as Acquisition/Construction in each of those three years, in fact, totaled more than the deficit. Now that's possible to find the deficit for those years; that's available in the Public Accounts; it's possible to go back to the spending Estimates and see where Acquisition/Construction was identified.

I will for the moment accept the fact that the Minister is not able to lay his hands immediately on a presentation of the \$251 million Capital. Perhaps he can find that; I hope he does; I would like to have a look at it because I would not want to think that I had been so lax in my review of the information that was available that I didn't find that, Mr. Chairman. I should also point out to the Minister that even if I accept his word of \$251 million, he will find that there is a gap between \$251 million and \$306 million which is presented in this year's Estimates of a phantom \$55 million. So it's a question of whether we're talking about \$136 million or whether we're talking about \$55 million - pretty substantial amounts in either case.

One other comment before I pass this on to my colleagues, Mr. Chairman, which I can't allow to pass without some comment and that was a reference that the Minister of Health made, saying that nothing changed with Alcan; that he had spoken to the vice-president and he told him that nothing had changed. Mr. Chairman, the fundamental principle that had Alcan taking up an option on land and spending millions of dollars in its studies to lay the groundwork to come to Manitoba, was the fact that we had agreed that Alcan would be able to buy an interest in a power station. The New Democratic Party said, no. I can just refer the members back again to that famous document of "Clear Choice for Manitobans." It's right in there; they would not have it. That has to be considered a major change and someone should inform the Minister of Health that that, in fact, was the case.

Secondly, when the NDP Government took over the site which had been chosen and selected by Alcan as being their primary choice, the government then changed and said, no, that's not the case; we're going to look around again. There's item number 2 that was changed, Mr. Chairman. Thirdly, of course, just the little item of not being allowed to even advertise in the province anymore certainly had to be considered as a change in the atmosphere as to the possibility of investment here and how much the government wanted them to come here.

Mr. Chairman, I'll look forward to getting that information from the Minister of Finance for consideration subsequently. Unfortunately, it's going to be some time yet until we get to Public Accounts, but perhaps the Minister's Estimates will be up at an earlier

time and we'll have a chance to deal with it further a that point.

HON. V. SCHROEDER: Mr. Chairman, that reference to the phantom \$55 million - I can't let go by. We had indicated very very clearly that there had been certain items which had been in Current before, which we had moved into Capital, as there had been some items in Capital that we had moved into Current. Fortunately for us, there were more items moved into Capital than into Current, but I have read into the record of this House specifically all of those items which under the old definition of Capital were decided upon as being Capital by my department. They were brought forward to me; they were checked with the Auditor and they were moved. There was not one single item that we moved from Current to Capital which the Auditor was not aware of; there was not one single item we moved from Current to Capital with which the Auditor disagreed. There were also some items we moved from Capital into Current, and I've given the House the specific numbers as to which those were, as I've given the House the specific numbers with respect to the ones we moved from Current to Capital.

We have had discussions with outside agencies, the rating agencies, with respect to those matters. They've had no problem with it and, in fact, have told us that we've done a good job and they're asking us to make further examinations to ensure that what we present is realistic. They certainly, if the opposition does not, do recognize the difference between building a building and providing for a social allowance cheque. They recognize that a deficit which provides for a Capital Expenditure that provides for an item that will be of benefit to Manitobans in the future is a considerably different deficit from a deficit which is based on just buying groceries for today in the way the Minister of Finance in British Columbia keeps referring to Current account deficits.

We recognize the difference; we recognize that if you have Capital expenditures, legitimate Capital expenditures, and you go into debt for them that is a different thing from going into debt on Current account. That doesn't mean you don't have to sometimes, in very very bad times, go into Current account deficit. We believe that this year was a time to go into a Current account deficit, and we're going into a Current account deficit that is larger than we would like. But the alternative, if we took \$100 million off our Current account Expenditures - which we could - would be 5,000 direct job losses and if we were to have a Current account balance, an absolute balance, we would be looking at cutting back over \$250 million on our spending and that would be somewhere in the range of 12,000 direct job losses in the province at a time when we have 54,000 unemployed in Manitoba. That would mean, Mr. Chairman, an awful lot of indirect job losses in addition to the direct job losses that we would make as a result. There would be a tremendous negative impact, a negative spiral, on the economy of this province were we to take such a course, and this government will not take that kind of a course.

The answers that the members opposite are bringing forward become a little bit frustrating. On the one hand, they keep talking about us as the big spenders. I've

seen material that I would be ashamed of passing out that was passed out by the Member for Pembina in his riding. I would be ashamed of that, but if he were in government and if that document represents P.C. policy, then there would be at least, because he's talking about a \$500 million deficit - he's talking, in fact, more than that - and he's talking about wanting a balanced Budget, he would be talking about 25,000 direct job losses and a lot more indirect in this province. If he doesn't want a deficit, then he should start telling us where he's going to cut back, but the answers to those kinds of policies do not — (Interjection) — A lecture, yes.

Mr. Chairman, when I get tapes from the CBC saying the totally false things that have been said by that member, then I do become a little bit annoyed. I think that people in Manitoba would expect that we would become a little bit annoyed when we have an opposition that doesn't have the guts to stand up and say what they stand for when they say we want no deficit; we want more spending; we want less taxes. They can't have all of those things, and I would like to hear them tell us what they would do if they were on this side.

MR. CHAIRMAN: The Member for Turtle Mountain.

MR. B. RANSOM: Mr. Chairman, I just am trying to get some answers from the Minister. He keeps giving me these lectures along the way. He now seems a little sensitive about the fact that he and his colleagues made some promises to the people of Manitoba which were so contradictory that they couldn't possibly be fulfilled. Now, when we call him on those promises, he's a little sensitive. The Minister of Health says who would believe those kinds of promises anyway. Well, we're just trying to find out how they're being done, Mr. Chairman.

I have one question for the Minister of Finance. Last year, he said that the total capital spending of government and Crown corporations came to \$700 million, planned spending. This year, the Minister of Finance says that the planned capital spending of departments and Crown corporations comes to \$840 million. My question for the Minister of Finance is: Are the definitions of capital used for the 700 million and the 840 million exactly the same? Do they include exactly the same categories of items?

HON. V. SCHROEDER: No, Mr. Chairman. Well, Mr. Chairman, I don't know how many times I have to get up and say that last year the 700 was based on approximately \$250 million of departmental capital spending, and a further \$450 million of Crown corporation spending. If that is the case, and if I have also said, as I have - I don't know how many times I have to repeat it, but I will repeat it again - if we were to look at last year's departmental capital spending and switch over to capital the numbers we have switched to capital and switched back to current the numbers we have switched to current, then we would have a preliminary total of 306 million. That is, we would have expected to spend 306 million within the department on capital. That means we would have had an additional, approximately \$55 million, added to the about \$700 million. We have never made any secret of that fact. He's asked the question and I think I've answered it.

MR. B. RANSOM: I thank him for that answer, Mr. Chairman, because I think that is the honest, straightforward answer. What is not accurate and honest then, was the statement in the Budget that there was a 20 percent increase in planned capital spending, because the 840 million is not the same definition as the 700 million. Therefore, there is not a 20 percent planned spending increase in capital. If he had changed the definitions and gone back and said last year we would have had 750-some million by this definition and this year we've got \$840, and that's a spending increase of such-and-such, that would have been correct, Mr. Chairman, to say that, but that isn't what he did.

For anyone reading the Budget, can only come to the conclusion that the government would be spending another \$140 million on capital this year over last year. They would not realize that actually it isn't another 140 million; it's a change in the definition. I say it was a change of a definition from what was available to me in the Spending Estimates of 174 to 306. The Minister says it's 251 to 306. All right, for the moment, I'll accept the 251. I've still got \$55 million, a phantom \$55 million. I'm sorry, Mr. Chairman, but it's a phantom \$55 million.

We'll return to this. If the Minister has an explanation for it now, I would like to hear it. If he doesn't have an explanation for it at the moment, we'll have an opportunity on two or three occasions down the road to return to that.

HON. V. SCHROEDER: I can assure you I have an explanation. In fact, I have one in stereo; two explanations. If you don't like the first one, you can try the second one.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. CHAIRMAN: Order please.

HON. V. SCHROEDER: What I'm saying, Mr. Chairman, is we're going to do this on two bases; either using the same method of calculation that we used - the items in the same classifications that were in 1982-83 for '83-84, or using 1983-84 calculations throughout. I'll go back to 1980-81.

In 1980-81, and this is adjusted to reflect all years, including '83-84, according to 1982-83 composition of capital. This is last year's composition of capital. On that basis in 1980-81, there was a total of \$480 million capital actually expended; of which \$279 million was departmental; 201 Crown agencies.

The next year, 1981-82 was a bit of a drop down from \$480 million to \$446 million in total, being composed of \$227 million departmental and \$219 million - government agencies; 1982-83 the total expended was \$633 million, of which \$388 - agencies and Crown corporations; \$245 - government, for a total of \$633 million actual, that's what we spent.

On that basis, on using the same kind of numbers for 1983-84 we're projecting, at this time, \$784 million, being \$520 million in Crown corporations, \$264 million in government departments, total \$784 million which works out to more than a 20 percent increase over where we project we were last year.

If we use 1983-84 composition of Capital and go through those same years - I know the members don't

care about the first two years, so I'll just stick with 1982-83 - well, I'll give you 1981-82 so you see the differences. In 1981-82 you spent a total of \$500 million. In 1982-83, first of all, the Crown corporations \$388 million - it's the same because there's been no changes in that area; and the government departments spent actually \$297 million, which is a total of \$685 million. For next year for 1983-84, on those projections, we've got \$520 million in Crown corporations, again, the same as the previous figure; \$316 million on government departments; total \$836 million. Again that is, according to my calculations, more than 20 percent of an increase from where we were.

So, both on the type of calculations you people made, and the type of calculations we are making we are anticipating more than a 20 percent increase in Capital Expenditures by the government, in total, in 1983-84 over where we were in 1982-83, recognizing that in 1982-83 we already had gone significantly up from where you had been just a few years ago.

I would also point out that Capital expenses, in and of themselves, are not expenses that occur every year. By definition, they are expenditures of a Capital nature, they can go up or they can go down, and if you look at a group of expenditures you can't just simply say that next year you have to spend just as much as last year as, for instance, you certainly didn't do when you were in government. In 1980-81, for instance, you started off predicting a \$517 million Expenditure in Capital, by 1981-82 you were down to \$461 million. Nobody criticized you for that, that just so happened that in that year you didn't see the need for as much Capital work.

To suggest that we have somehow tried to fudge these numbers, as the Member for Pembina has attempted to do without any background to it, without any knowledge of what is going on, without any further knowledge than he had of highways when he was running that department, I find that to be totally incredible and I am not very happy about it.

MR. A. RANSOM: Mr. Chairman, we will have an opportunity to deal with this later in Public Accounts, and in the Minister's Estimates. Perhaps since Public Accounts has been called for so late, can the Minister tell us whether or not some of the preliminary figures for 1982-83 will already be available by May 17 when Public Accounts has been called?

HON. V. SCHROEDER: I don't know, but I certainly would hope that we will get some numbers out. I'm getting information daily, but until the end of the year I don't know exactly when we will have the information ready.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Chairman, I'm certainly pleased that the Minister of Finance has indicated that he would not use any literature and information I send out to my constituents in any campaign he might undergo because that meets with the standard past practice that we've become accustomed to from the NDP, that you can't really rely

on the things they send out; that they don't really necessarily contain the truth. And, by him not wanting to use mine, I can only assume that there is a great deal of factual statement in there that he has little difficulty with.

Mr. Chairman, I don't want to deal with the Minister responsible for the Phantom 55 financial fudging, I want to deal with the Minister of Agriculture for a short while. The Minister of Agriculture is asking for \$10 million under the Beef Program, and I've got some general questions I'd like to ask the Minister of Agriculture on the Beef Program. I suppose to kick things off, what does the Minister envision for the livestock producer from the program that he has announced, and from the regulations he struck, and what not; what does he expect to be able to do for the beef producer in the Province of Manitoba?

MR. CHAIRMAN: The Minister of Agriculture.

HON. B. URUSKI: Mr. Chairman, the program that we announced last spring, and the income stability portion of the program that's in place, is basically a stop-loss program that covers primarily cash costs of producers in the beef industry in this province.

MR. D. ORCHARD: So the Minister is indicating that this is a program for stop-loss financial support, I assume, of the beef industry and the producers of beef in the province. In view of the fact that the Minister has committed the Government of Manitoba to, I believe, a 3 percent contribution in year one, 2.5 percent the next year, and then, thereafter, for the duration of the program a 2 percent contribution to the Fund, where does the Minister expect the funds to come from to make this program a stop-loss program in which the beef producers of the province can expect to achieve at least a break-even position, if not even a profitable position, depending on the quality of their operation?

HON. B. URUSKI: Mr. Chairman, the program was never envisaged to cover all Capital costs and all costs of producing. The program was envisaged, as it was announced, to cover the down cycles in the beef industry, in terms of prices received by producers to cover the cash costs, and the producers contribute on an ongoing basis to build up a fund as best as one can determine in terms of the program, in terms of projections made over the initial period of eight years under the program.

MR. D. ORCHARD: Well then, would it be fair to assume that since the government, with the exception of the first 18 months of the program, is only going to contribute 2 percent toward the cost of the program, and the farmers are going to support the operation of the commission by a checkoff, and that the farmers themselves are going to put in anywhere up to 7 percent, then is it a fair conclusion for one to make, as a casual observer of this program, that the farmers participating are going to be the ones who are going to provide the monies to stabilize their own incomes.

HON. B. URUSKI: Mr. Chairman, in any insurance program that is operated there is a financial

contribution. The member should understand as well, that in times of depressed prices there is a provincial guarantee to the fund, as is being requested here, requiring funds to guarantee the program. There's no doubt that the fund is a long-term commitment of income stability, but in any insurance fund that is cost-shared, the participants share in the averaging out, attempting to average out the depressions in market prices to stabilize incomes; basically making payouts when market prices are below the costs that are covered under the program, vis-a-vis the market price. At this point in time, the market in parts of the program being below the stabilized price, there is a payout being made. There's no doubt, in terms of contributions, that at the present time in the absence of any national program, the sharing of costs is quite substantial as it is, Mr. Chairman, in terms of public dollars.

In fact, I'm kind of surprised to hear the comments coming from the Member for Pembina, seeing as his group was really not prepared to do very much for the livestock industry in 1981.

MR. D. ORCHARD: Mr. Chairman, the Minister makes reference to the fact that when we were government, we didn't want to do too much for the beef producer - that's a whole matter that's subject to debate. I'm sure that the Minister would take some heart in knowing that they still don't represent very much of agricultural Manitoba and if his statement was correct, that shouldn't be the case.

I can assure the Minister, one thing that we did not do to the beef industry was bring in a program under which, in the regulations, the purpose of it, by the Minister's own signature, is and I quote, "The general purpose and intention of this plan is to provide for the effective control, regulation and promotion, in all respects, by the Commission of the marketing of the regulated product within the province." And the regulated product according to the definitions, Mr. Chairman, means any beef owned by a producer who has entered into agreement with the Commission for that beef pursuant to The Farm Income Assurance Plans Act. You betcha. We didn't put in a program which allows, through regulation, complete control in any respect, of the beef industry in the Province of Manitoba.

Now I want to ask the Minister, is it the intention of this program to set production quotas on the contract holders? In other words, are they going to set production limits to the beef producers who are enrolled in this program?

HON. B. URUSKI: No, Mr. Chairman.

MR. D. ORCHARD: Then, Mr. Chairman, would the Minister, and he may want to take this as notice because he may not have read their own regulations that he passed in Cabinet on October 6, but he may want to explain how, in 11(c) and I will quote once again, "In carrying out its duties and functions the Commission may enter into agreements and contracts with producers and any other persons respecting the production, transporting and marketing of the regulated product."

It's in the regulations that the Minister can control the production of the beef herds in this product. He's

got it by regulation. The Minister says, no, it isn't their intention to control production of beef. Then could the producer refuse, when he's a contract holder, an order by the Beef Commission to reduce his production?

HON. B. URUSKI: Mr. Chairman, the beef producer has a contract with the Beef Commission which is administering the program on behalf of the province and, Mr. Chairman, that would be a legal question and if the member has some legal interpretation to stand by what he is saying I'd be interested to hear it. I don't believe so.

MR. D. ORCHARD: Mr. Chairman, the Minister hasn't answered the question directly. It was a very simple question. Can the contract holder refuse an order from the Commission because the Commission has the ability in the regulations to limit that person's production? Can the contract holder, given the answer the Minister has put on the record just two or three minutes ago that it is not the intention to put production controls on the beef producers of Manitoba, basis the Minister's first answer, could a contract holder refuse to abide by an order from the Commission to reduce his production?

HON. B. URUSKI: Mr. Chairman, I answered the question. I said that the producer in question has a contract with the Commission. The contract in question stipulates the requirements the producer has with respect to the production and marketing of cattle that he happens to produce on his farm.

MR. D. ORCHARD: That doesn't fit well with Regulation 12(6) from his own regulations. It's subject to the Act. "The Commission may do such acts and make such rules, orders and regulations as it deems necessary, advisable to enable it to administer this plan effectively and," here's the important part, Mr. Chairman, "to control and regulate the marketing of the regulated product."

He's got it in the regulations, Mr. Chairman, and he won't indicate whether - he says no, they don't want to control supply, but on the other hand they might be able to do it. The Minister might want to explain at a later date how one individual contract holder who enrolled 30 cows and applied for a retroactive subsidy on the finished marketing of 27 animals from that 30-cow herd, and he might want to indicate how the Commission is able to roll back the payment to only 24 animals because, in their estimation, in their calculation, a farmer ought only to sell 80 percent of his production from the registered cows as finished product, due to death losses, and I assume keep back for heifers and what not. If a producer in the plan who manages, through good management, to sell 27 finished heifers and steers from a herd of 30 cows that are enrolled, then the Minister obviously is exercising the very thing that I mentioned before when he said, no, we're not going to control production. He is, in effect, de facto controlling production by only providing the subsidy that was promised on those finished animals by cutting it back from 27 marketed to 24 that the Commission is willing to pay at this time on those animals marketed.

HON. B. URUSKI: Mr. Chairman, the honourable member talks about limitation. The commission has, in its wisdom, set a percentage of the herd that would be eligible for support on retroactive payments. Mr. Chairman, we knew all along that initially with the commission not being involved in the marketings of cattle and the retroactive period being from September until the point in time in February that the commission began its marketings, that there would be a transition period and that this would be an area where the development of the marketings and the like would have to be dealt with.

Mr. Chairman, the commission itself, I would assume has set a - and I didn't hear the member indicate whether it is at 80 percent as being an unreasonable limit in terms of what percentage of the calf crop would be covered, in terms of the retroactive period. If the member is suggesting that is somehow an unreasonable amount of animals that are to be covered under the Stabilization Program, I would be prepared to raise it with the commission. I have not had that kind of a request although, albeit, some producers may from time to time market a larger percent of their herd and be eligible for stabilization payments. But, Mr. Chairman, I think in terms of the normal average, 80 percent of a herd is not an unreasonable amount as to be eligible for support.

MR. CHAIRMAN: The Member for Pembina.

MR. D. ORCHARD: Well, Mr. Chairman, it is very real situation. Since the Minister is interested in getting further details, we'll attempt to provide him with that so we can instruct the commission to treat this particular contract holder in a more equitable fashion.

Mr. Chairman, is it the intention - would the Minister indicate whether it's the intention of the Beef Commission and, in effect himself, to control who transports livestock in the Province of Manitoba?

HON. B. URUSKI: Mr. Chairman, there has been a long-time position taken by cattle people, by the police, the RCMP in this province, to try and attempt to control the movement of cattle for identification purposes in terms of the rustling that has been going on and the Cattle Producers' Association has been after the government for a long period of time to either institute a brand inspection program and/or a manifest system. We are certainly trying to put in as effective a system and as least expensive a system as we can develop. It likely will be a manifest system in this province for the movement of cattle. That's been generally recommended by producer groups across this province.

MR. D. ORCHARD: Well, the Minister hasn't answered the question. I realize that's some of the problems in the industry. My question was specific, does the Minister intend that the commission determine who transports livestock? In other words, Transporter A can transport livestock; Transporter B cannot. Does the Minister intend that to be part of the program?

HON. B. URUSKI: Mr. Chairman, it may very well be that the commission might as part of its duties, handle such kind of a program, but the program will be a

departmental program right across the province if it gets into place.

MR. D. ORCHARD: Well, Mr. Chairman, the Minister is a great skater. He's almost on par with Gretzky because he skates around questions and doesn't give answers. He didn't answer that one.

The reason I am concerned about him answering that is because Regulation 12.8 indicates that the commission may once again direct the use of transporters. Now, that direction of the use of transporters to me means that the government, the Minister of Agriculture, through the Beef Marketing Commission is intent upon determining who transports livestock in the province. That has concerns amongst those presently engaged in the business of livestock transportation whether they are going to become part of the chosen few that this government and Minister would like to see do the job.

I simply ask him again, with Regulation 12.8, giving the commission and this government the ability to determine who transports livestock, I want the Minister to answer forthrightly, is it the government's intention to have the commission determine who can transport livestock?

HON. B. URUSKI: Mr. Chairman, the honourable member should make himself aware of the legislation that they passed in this Legislature giving a private group in society those kinds of powers. We don't intend to give any private group those kinds of powers, Mr. Chairman. If there will be, as I answered before, a manifest system to identify the movement of cattle within this province, it will be handled under the authority of the department. If the commission through some of its staff, may be carrying out some of the functions, they will be under the direction of the Department of Agriculture, Mr. Chairman. We may use the commission as part of their functions to deal with some of the cattle under their jurisdiction, but in terms of the overall program, it will be a departmental program.

MR. D. ORCHARD: Then, from that answer, I am going to make the assumption, and the Minister can correct me next time he's up, that a person presently involved in the transportation of livestock, will be able to transport livestock on behalf of contract holders at the direction of the commission. I am going to make that assumption - and if the Minister does not think that is a proper assumption because I have got people in my constituency who want to know that - I am going to make the assumption from the Minister's answer that they can continue with their normal business of transporting livestock.

Now, the other question I would like the Minister to answer is that under Regulation 13.1, the commission may require producers, transporters, stockyards, etc., etc. of the regulated product to register with or obtain licences from the commission on such conditions and in such for and for such fees as the commission may determine; and may cancel, suspend or re-instate any such registration of licence. Now, with Regulation 13.1 and dealing once again specifically with the transporters of livestock, are we to now assume that there is another

regulatory body by which transporters of livestock are going to have to obtain licencing and fall under the regulation of, because transportation of livestock is subject to licencing by the Motor Transport Board right now, is the Minister setting up a parallel group to licence transporters of livestock through the Beef Commission?

Secondly, if the Beef Commission cancels the licence to transport, is that binding on the Motor Transport Board to likewise cancel that licence? It seems to me that what we are doing is putting the transporters of livestock in a no-man's land. They can be operating within the law according to the licencing and the franchise rights given to them by the Motor Transport Board; and yet according to these regulations they will have to meet with regulations and licencing requirements by the Beef Commission which can cancel them and effectively put them out of business. Are we developing a parallel bureaucracy and a parallel tightrope for all transporters of livestock to walk upon in the Province of Manitoba?

HON. B. URUSKI: Mr. Chairman, the Honourable Member for Pembina is now arguing against the Manitoba Cattle Producers Association Act. Mr. Chairman, those kinds of broad powers were put into that kind of legislation, and we don't intend to give those kinds of powers to the commission in terms of the authority. The authority for licencing, as the member has pointed out, for carriers in this province rests with the regulatory agency called the Motor Transport Board. The commission, of course, on behalf of having its cattle transported, may from time-to-time, have agreements with operators who are duly licenced under the Transport Board to transport their cattle.

Producers, of course, have the option of transporting their cattle directly as individuals. In terms of insurance, the commission has to arrange for insurance for the cattle that are transported on their behalf, those kinds of arrangements. But in terms of saying that they will start cancelling licences of operators, the honourable member will go - he's gone obviously - and looked at the broad regulations that are there for every marketing agency in this province, Mr. Chairman.

Maybe the member doesn't realize that in broad terms, I believe - and I will check to make sure that I'm more specific - those kinds of broad powers are given to commissions, marketing boards, and the like, in terms of the regulation of their product within the Province of Manitoba.

It's not my intention, as the member suggests, that the commission has no legal authority, I don't believe, to cancel out someone's licence, nor do they have the legal authority to grant someone a PSV licence. Those applications and the regulation of that product are handled through the Motor Transport Board, Mr. Chairman.

MR. CHAIRMAN: The Member for Pembina.

MR. D. ORCHARD: Well, that's good news that the Minister is putting regulations in place that he doesn't intend to use.

Another question to the Minister. Does the Minister and the government intend the commission to direct beef to certain packing plants, and thereby, have a potential system under which other packing plants may

be penalized? The specific example I'd like to draw to his attention is the Schneider's recent settlement. That settlement with the workers has been criticized by the Minister of Labour of this government and by a number of people, including the Premier of this province, as being a settlement that was made - and here, I'll be very careful, I may well choose the wrong words - but, I believe the terminology or the impression left by members of the government is that Schneider's, in effect, bargained in bad faith because what they did was quite forthrightly and honestly told their employees that if they couldn't settle for that, they were going to close the plant down and the workers were going to be without jobs. The government has interpreted that as being negotiating with their union in a bad way; in bad faith. Sometimes, people like to have an honest assessment of what the realities of negotiations are. All of a sudden, to this government, that's bad faith, negotiations. I don't agree with that, but we can deal with that at a later date.

I want to find out from this Minister if it's his intention and the government's intention, to use the Beef Marketing Commission to direct marketing of contract holders' beef to a certain packing plant. The most obvious example being to say direct the beef marketing from the plan to, let's say Canada Packers, I suppose, and direct none of the beef to Schneider's as a method of penalizing them for bad contract negotiations.

HON. B. URUSKI: Mr. Chairman, I will allow the Member for Pembina to place what connotations on the bargaining process he wishes. I don't think he knows the entire story. I'll just leave it at that. He can make his own assumptions as to what transpired or what didn't transpire.

However, Mr. Chairman, the commission is there to do one thing. It's to market cattle; to try and receive the best returns overall for the producers of that product. Whether it means, as the Hog Board did at one time to remove in a period of time, a portion of their production to strengthen the price on the local market, that may have to be done. If the demand locally is there for the product, they are there to bring about as much innovation and the best price as we can. The better the price that we receive, the less ultimately will the plant have to pay out in terms of deficiency payments to the producers and the less the taxpayers of Manitoba will have to subsidize the plant.

MR. D. ORCHARD: Well, that's very interesting, Mr. Chairman, that the Minister doesn't seem to think that they are going to penalize any particular packer, because under Regulation 17 Direct Marketings in the regulations that he and his government passed, it says here quite clearly, "The commission may make orders, regulations and directives with respect to determining the time and place at which, and the agency through which the regulated product or any variety class or grade thereof, shall be marketed."

That gives this government and this commission the ability to direct marketings away from a plant like Schneider's if they deem them to be in bad faith bargaining.

That's something that the Minister, if that's the intent of it, will have to live with should they make that decision.

Another question I'd like to ask the Minister is does the Minister and the government intend the commission to make beef cheap for the consumers in Manitoba? Is this commission to lower the price of beef to the consumers in Manitoba and make cheap food the policy in beef?

HON. B. URUSKI: Mr. Chairman, the honourable member should be aware; maybe if he would like me to arrange at his convenience, the honourable member to go to the commission and have a look at their operations. The honourable member, in terms of direction of product, should be aware that in terms of the marketings of cattle, the farmer - I'll try and lead him through what I believe the process to be as I understand it. I wish to market some cattle. I phone the commission and I describe to the commission the type and quantity of cattle that I'm going to be marketing on a finished basis. The commission then takes that code, puts it on the market and gets through its bidding process in terms of trying to obtain the best price possible, at which time the call is returned to the producer indicating to him these kinds of prices have been received. If they are acceptable to the producer, they are to be delivered at such and such a day; such and such a time; to such and such a packer. That is the normal process.

I would assume the member could then read into those regulations what he wants, but that is the direction of products. There's no two ways about it because the commission then tries to get the best price for that product on the market that day, and they do indicate to the producer where that product should be delivered if that price is acceptable to him or her who are marketing those animals. That is the process in place.

The honourable member indicates whether or not this program is geared to provide cheap beef to the consumers of this province. Mr. Chairman, this program - we could get into this one for a long period of time - is designed to (1) stabilize incomes of livestock producers in this province; (2) to try and make sure that there is enough product in terms of animals that are raised, and hopefully over a period of time, increase the amount of finishing the value added of the product in the Province of Manitoba to make sure that that product moves through our packing industry to the best of our ability, to make sure that our packing industry in this province stays viable.

We know, Mr. Chairman, that the consumption of red meats has been going down. There is no easy answer to the problem. Certainly the honourable member is saying, will this bring about cheap meat on the tables, Mr. Chairman? We hope that this program, in terms of increasing the value-added in this province, will assist in the producers of this product receiving the best returns they can get; which doesn't mean that the price of beef will actually be lessened on the consumer table. This program will have an effect of maintaining the packing industry, we hope, in the Province of Manitoba and having stable productions and incomes for our producers for if there is a stable production of beef in this province we have a viable livestock industry, we have a viable packing industry, we have a sure supply of meat for the consumers of this province. That is what is intended by this program.

MR. D. ORCHARD: Well, the Minister then has a problem because the Minister didn't answer the question as to whether it was the intent to make beef cheap to the consumer; and I want to point out one of the most damning regulations in this whole beef program. Mr. Chairman, I'll quote it, Regulation No. 20, it's under the subsection "prices": "Subject to the approval of the Lieutenant-Governor-in-Council the commission may make regulations, orders, and directives with respect to fixing minimum prices or maximum prices, or both minimum and maximum prices, or a price at which the regulated product under its jurisdiction, or any variety, class or grade thereof, may be sold by any registered producer."

What you have in Regulation 20 is the ability of this government, with its urban Cabinet and hence one would assume consumer-oriented Cabinet, the ability to set a maximum price on the regulated product - and I'll refer you once again to the definition of regulated product - means any beef owned by a producer; they can fix a maximum price on the production of the registered producer, and I will point out, Mr. Chairman, there is no reference in here to packing house profits; there is no reference in here to retailer profits; there are no references in here to the wage contract settlements of packing house workers; there is no reference in here to the salary settlements of retail or commercial food workers through their union; there is only the ability of the Cabinet of this Provincial Government to control the maximum price of the beef coming off the producers farm. No other areas of prices are even mentioned in this set of regulations, there is no mention of any other reference that the Lieutenant-Governor must go to to fix that pricing, the maximum prices. They don't have to refer to the Manitoba Marketing Council, as most other regulations in here are required to do.

This Cabinet and this government can set a maximum price on the beef to the farmer at the farm gate. I think that that has to be the most damning regulation of the whole program. Mr. Chairman, it's one that the majority of the contract holders who signed up, prior to December 31 or January 31, are absolutely unaware of. They do not know that they signed a program and enrolled their beef animals in a beef program in which this Cabinet can set the maximum price that they get for their beef as they walk off their farm to market it and when they're told about they're not terribly enthused with the prospects of having this Cabinet having the ability to set maximum prices for their beef; they are quite concerned.

Mr. Chairman, the Minister will no doubt say, well this is just a standard regulation, this is just normal, etc. etc.. But I want to point out the important omissions about this Regulation No. 20. It is the Cabinet that decides, there is no reference to any other body. It is only providing maximum price-setting ability on the producer; it doesn't touch any other aspect of the industry. What this regulation can do is give this government and this Cabinet the ability to set the farm-gate price of beef to the producer who is enrolled in this program. I'd like the Minister to explain why he saw it necessary to pass that kind of a regulation that's going to control the price of beef. If beef prices take off so that beef is worth \$1.25 a pound, on the hoof, the Minister has the ability to stop that from happening

and say you only get \$1.00 a pound, right in Regulation No. 20 and I want to know why he's got it in there?

HON. B. URUSKI: Mr. Chairman, if I ever heard foolishness in this House, I hear it from the Honourable Member for Pembina. If ever I heard — (Interjection)

MR. CHAIRMAN: Order please.

HON. B. URUSKI: Mr. Chairman, if beef prices are low we will require far more in terms of payouts and support for the program. We want to have beef prices to producers to be as high, and consumption to be as high, as possible so that this program is self-sufficient. We don't want to have the taxpayers of this province put in any more money than they have to, in terms of the program, and I'm sure that the producers would love to have those kinds of prices. They would be pleased to contribute to a program and build up a fund for their benefit in the long-term, and not be worried about low and depressed prices, Mr. Chairman.

The fact of the matter is the better the prices the higher the funds there will be, the less of a premium, ultimately, that will have to be paid by the producers because, if the fund builds up to a substantial amount, the premiums ultimately could be lowered, Mr. Chairman. The premiums are at this level, Mr. Chairman, primarily because prices have been low and there will be stabilization or support payments, and support payments have, in fact, been made over the last number of months. That is the reason for the request of these funds.

Now, Mr. Chairman, to suggest that somehow there is, by an unwritten plan of this government to hold beef prices down. Well, Mr. Chairman, then we'll have the other argument. We are somehow ballooning the deficit of this Province of Manitoba because we are spending money to assist beef producers because that's what is happening now when beef prices are low.

What do the honourable members want? Mr. Chairman, they want support for the beef industry, which they weren't prepared to give them. We have put forward that support to the beef industry and we have stabilized incomes to producers. And now, Mr. Chairman, the honourable member says we're going to lower prices in order that producers don't receive a fair return. Mr. Chairman, that is ludicrous; that is sheer lunacy on behalf of the Honourable Member for Pembina to even think that. The fact of the matter is all the taxpayers of Manitoba are supporting this program by virtue of contributions and the higher the price the higher the return that we receive for the producers of this province in terms of the animals and the meat sold, the less there will have to be in terms of support, in terms of guarantee to the fund, in terms of payments to the fund as we are seeing today and now during times when market prices are low.

Mr. Chairman, the honourable member is out to lynch on his comments. There is just no doubt in my mind. I told him before that I will check. I will check and I want to check to make sure that the powers that have been granted are no more and no less than are granted to any board or commission dealing with products in this province. I will check that out to make sure that

I haven't said something, that we have given any more powers to this commission that we haven't given to any other group in society in terms of the marketing of their product.

I will check that out, but to make that suggestion, Mr. Chairman, the honourable member really doesn't know what he's talking about.

MR. D. ORCHARD: Mr. Chairman, let the record show that the Minister never deal with answering the question and when he speaks of the subject of sheer lunacy I would suggest the sheer lunacy is putting into the regulations the ability of him and his Cabinet colleagues to control the maximum price of beef to the producer only.

MR. CHAIRMAN: Are you ready for the question?

Resolve that towards making good certain sums of money for Capital purposes, the sum of \$30 million be granted out of the Consolidated Fund.

QUESTION put, MOTION carried.

MR. CHAIRMAN: Committee rise. Call in the Speaker.

MR. P. EYLER: Mr. Speaker, the Committee of Ways and Means has considered certain resolutions, directed me to report the same and asks leave to sit again.

IN SESSION

MR. SPEAKER, J. Walding: The Honourable Member for River East.

MR. P. EYLER: Mr. Speaker, I move, seconded by the Member for Wolseley, that the Report of the Committee be received.

MOTION presented and carried.

INTRODUCTION OF BILLS

HON. V. SCHROEDER introduced Bill No. 28, an Act to Authorize the Expenditure of Money for Capital Purposes and Authorize the Borrowing of the same, The Loan Act, 1983.

MOTION presented and carried.

MR. SPEAKER: The Honourable Minister of Finance.

SECOND READING - GOVERNMENT BILLS BILL NO. 28 - THE LOAN ACT, 1983

HON. V. SCHROEDER presented, by leave, Bill No. 28, an Act to Authorize the Expenditure of Money for Capital Purposes and Authorize the Borrowing of the same, The Loan Act, 1983, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: Thank you, Mr. Speaker, This bill is intended to provide borrowing and expenditure

authority urgently required for the new fiscal year beginning April 1st for specific non-budgetary Capital programs. These requirements are included in the Capital Estimates for non-budgetary Capital purposes which were tabled earlier in the Session and which will be authorized in two parts, by The Loan Act, 1983, and by The Loan Act, 1983 No. 2.

Capital authority is needed immediately to provide additional funding for the ongoing Insulation Loan Program as part of the Jobs Fund and to provide additional funding for the Manitoba Beef Stabilization Fund. Due to the urgent nature of these requirements it is important that this bill be approved prior to April 1st.

When the bill reaches the committee stage I can provide any necessary explanation for the information required.

MR. SPEAKER: Are you ready for the question?
The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Speaker, I move, seconded by the Member for Roblin-Russell that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Should we call it 4:30?

PRIVATE MEMBERS' HOUR

RES. NO. 4 - PORT OF CHURCHILL

MR. SPEAKER: 4:30, Private Members' Hour. On the assumption that the members wish to hold Resolution No. 1, Resolution No. 4, standing in the name of the Honourable Member for Morris who has 20 minutes.

MR. C. MANNES: Thank you, Mr. Speaker. It is a pleasure to speak on this Manitoba issue, the one that we all hold so dearly, although in various degrees, I suppose. It's probably been a raging issue within this particular province for decades and I can't see where that is going to change drastically over the next number of years.

Mr. Speaker, I had the opportunity to peruse some of the comments made by the Members for Thompson and The Pas, the individuals that in fact brought the resolution forward and I give them credit to the extent that they seem to touch on many of the relevant factors that one must bring forward when one is discussing this whole question, that being of course the future of Churchill.

The Member for Thompson made some reference to Churchill's potential and I think he said, and I quote, "I feel the development of the Port of Churchill is vital to our economic development in Northern Manitoba and the proper development of the Port of Churchill would greatly expand Manitoba's economic opportunities." He went on further to say that, "Development in Canada really should be aimed more and more in the upcoming decades at our North," and so on.

Certainly there is not a member on this side of the House that can take particular issue with any of those comments or sentiments. He draws those thoughts forward throughout his speech and attempts to build upon them. However I detect some strong thoughts on vested interests, as he says, those that are working against the development of Churchill. He mentioned that indeed, and I quote, "A number of powerful vested interests were opposed to the development of the Port of Churchill," and indeed it did develop rather slowly in its initial years. I think the Member for The Pas built upon that in his comments when he indicated those vested interests are still at work, somehow leaving us with the opinion that there are those who would rather see the Port of Churchill not reach its ultimate, economic goal.

The members opposite didn't specifically point them out but I suppose they were referring to groups like the Dominion Marine Association, a very well-organized group that lobby within the confines of the St. Lawrence Seaway; a group of vessel owners and shipbuilders who, of course, are very concerned about maintaining the viability of the whole seaway system. I can tell him that he's accurate in that degree. I know, as a member involved in the Hall Commission Report, when, in fact, Judge Hall asked for some specific comments on the Port of Churchill, that indeed the Dominion Marine Association brought forward a very detailed brief indicating why, in their view, consideration should not be given to major increases of funding for the development of the Port of Churchill.

In talking about vested interest, the members opposite are probably making reference also to those Pacific Coast interests who would like to see their share of grain that is funnelled through that particular port not diminished to any degree. Of course, you have specifically the Prince Rupert group who, over the last decade, have lobbied hard and long to develop a major terminal at that particular site; one that would not only see large volumes of grain moving through it, but would also spin-off other benefits to the whole region in and around surrounding Prince Rupert.

I remind the members opposite that, indeed, Churchill has had its strong advocates through the various times of decision in which Governments of the Day have had to deal with that particular port and, of course, they're well aware that the Hudson Bay Route Association is a longstanding vested interest group; one that has been advocating the development of this particular port for many, many years. I know, when I worked at the Canada Grains Council, I would have an opportunity to speak yearly with one Willis Richford, a gentleman who worked hard on behalf of that particular organization; who, I think, would have sold his soul basically to seeing Churchill developed a little bit more quickly.

Of course, the Port of Churchill Development Board, under the leadership of one Ed Guest, has put an awful lot of effort in again trying to secure for Churchill its so-called economic benefits that should come to it in the near future. The Member for Thompson goes into some of the advantages that are adapted to that particular port. He talks about the 1,000 mile shorter distance of travel for European vessels that take on grain there, and he talks about the deep water port capable of handling some 45,000-ton vessels. Then he, of course, asks the question why, in spite of these and

many other advantages, there is only 2 percent of the grain that is shipped from the Prairies finding its way out by way of Churchill.

I think that the members opposite, in their zeal to support Churchill, don't always, or have not been cognizant of some of the arguments against it, and I don't believe, Mr. Speaker, they can all be attributed to those who have vested interests that would work against the well-being of Churchill. He talks about the deep water. Certainly, it can take large vessels, but so can the St. Lawrence River where, indeed, most of our eastern grain is shipped. So can, indeed, Prince Rupert once it is fully prepared. It will take the largest vessels that the ocean has to bring forward. Of course, the shorter distance, which he refers to, doesn't always lend itself to the strict detailed economic accounting that would leave one to believe, or reach the conclusion, that it's always cheaper to ship via Churchill.

So I think the member opposite fails to name some of the disadvantages, certainly, and they are very detailed. I'd like to spend a minute or two on them, if I could, so that he has a better understanding of why it is that it's not just a simple matter to say that we can divert X number of tonnes through that particular port. I don't know if the members opposite are fully aware of the export standard system we have by which the Canada Grain Commission guarantees export grains, and I don't know if they fully realize that in all our major ports, vessels find themselves on many occasions having to go from one terminal to another for the purpose of building up specific grades and, indeed, if the grade is missed, that it represents a tremendous penalty to all of us as grain producers and shippers. So it's not so easy to just say, let's have the grain there waiting and, once the season opens, let's put it on a vessel and ship it.

It's not that easy at all because what happens, Mr. Speaker, is that you find the whole system is forced to plan some three months in advance of the opening of that particular port. You find, for instance, that elevators within Northern Saskatchewan, particularly, and to a lesser degree, Manitoba, have to guarantee their stocks by grade so that once they do ship it to Churchill that, indeed, the grade that is finally loaded on the vessel is nothing different, because if a problem does arise in that particular port there is no turning back. You can't resolve it like you can in the major ports because you have no quantity of stocks with which to mix. This is a very real logistical problem which I would hope the members opposite would not neglect.

Associated with this, of course, is it puts tremendous pressure on the primary elevator system. Those elevators back in our small hamlets, again to a greater degree in Northern Saskatchewan than in Manitoba, which have to store stocks for some three months, either barley or wheat, their space effectively is lost because, indeed, it has to hold them until the shipping season to Churchill begins. That is a real cost to the system, to the elevator companies, particularly the co-operatives that own these facilities, that is never measured, that is never put into the equation when one considers the so-called advantages of shipping via Churchill. Again, I only point this out to the members opposite, to realize the numbers that they are given at times, they do not accept at face value until they've had an opportunity to review some of the more subtle costs.

Members opposite always give us the feeling that the collection system for Churchill is always that 25 percent of the area closest to that particular port. Mr. Speaker, that's not true. In theory, that's the way it should work but it doesn't. Indeed, many many of the shipments, particularly, of the lower grade wheats end up being pulled from Peace River, because quite often Northern Saskatchewan has a very good crop of 1's, and 1's cannot be mixed, you cannot do anything with them, and so they find their way out only through the Ports of Vancouver and Thunder Bay; and then Churchill stocks have to be secured from a much further distance, particularly the Peace River Valley. So all of a sudden the logistics associated with pulling grain from a close area do not occur. Well, these costs, I would then say, Mr. Speaker, are very rarely detailed. Of course, there's one other associated cost I never hear the members speaking about, and that's the cost of removing part of a CN boxcar fleet out of the existing Thunder Bay movement to pulling it out of an existing movement to service Churchill. Of course, it takes some period of time to withdraw, to offer to the movement at Churchill and then to put back into that eastern movement; it takes some while to synchronize this whole movement. These, again, are some of the costs that are never addressed.

Mr. Speaker, the Member for Thompson continues by stating some of the obvious problems. He mentions insurance and the short season and the fact that there are no CPR cars that are eligible to use that line and the lack of hopper cars. I agree with him that for the greatest part, many of these points could be ameliorated to a degree. I think if we put our minds to it and we had the political will, we could probably resolve certainly some of these questions.

Specifically to the longer season, he makes reference on Page 798, "we, as a nation," and I quote, "should transfer icebreakers from the St. Lawrence to Churchill in June and July and November and December. This would greatly expand the use of the port."

Mr. Speaker, that probably would be the case, but we don't have an extra supply of icebreakers that are doing nothing through that period of the year. As you know, there's tremendous oil and gas exploration going on in our offshore areas. Indeed, our limited supply of this type of equipment has been directed to that type of end. I don't think he can say, let's take them and direct them elsewhere, under the assumption that they're doing nothing. They're fully employed.

The member, in one of his comments, also makes reference to the fact that he'd like to see Churchill as part of the Crow rate discussion. Indeed, it's funny that he's the only one that's mentioned it. I haven't heard members from the front bench use that at all in their discussions when they've addressed the Crow Resolution. As a matter of fact, the only people I've heard mention it at all are members on this side. He's concerned that more grain will not go to Churchill, and indeed it will go to east-west routes if that whole problem isn't addressed right now. I can tell him that he probably is correct.

Prince Rupert right now is building for some 3 million tons or 100 million bushels - that's to start up; that's over the next decade - after that period, once that particular terminal comes on, probably an additional 3 million, so a total of 6 million tons will hopefully go

through that port. That's roughly 200 million bushels or some six or seven times what Churchill is handling today. I can see his concern.

I'm wondering what he's asking me. I'm wondering if he's asking that, indeed, some system of political economics be brought to bear during this time, so that Churchill is given its favour. Or is he saying that pure economics are being missed and passed by, so as to ignore Churchill? I wish the member might, at another opportunity that he has to speak, address that particular question.

So in spite of all the advantages and the future potential, Mr. Speaker, I think the question is begged, why isn't Churchill progressing? Why have we talked about it for 30 or 40 years? More than that, my colleague, the Member for Roblin-Russell says - and I would accept that - probably 50 years now. Why isn't that particular port increasing in an activity in the support that it lends to the whole movement of prairie grain? I suppose the in whole argument, you either have to be on side of the fence or not. You either have to say it's economics, or you have to assume, like the member opposite, that it's politics, vested interest.

I suppose it's a little bit of both, although again, I question what these organizations like the Hudson Bay Route Association and the Port of Churchill Development Board, what have they been doing over the number of decades? I know they've been lobbying hard. They've been putting forward the best economic argument they could, but it's never been accepted.

I'm one who's not inclined at this time to accept fully the argument that it's a political decision that's been rendered. I say, Mr. Speaker, that I believe that a main reason for Churchill not, at this time, reaching its potential is one of economics. I've been part of the grain industry where I saw what it cost to store quantities of grain for three months, preparing for the Churchill movement and there are pure costs associated with it. It's on that basis that, although I support many of the Whereas parts to the resolution, that I'm a little concerned that the members opposite will ask us to tie the hands of the Canadian Wheat Board to utilize this port.

Just the other day - and I won't swear to this, Mr. Speaker - it's been alleged that Manitoba Pool Elevators made a statement that the emphasis should be taken off Churchill for awhile, let the other ports, and Prince Rupert, let them build to handle the major movement of increased grain. I think they're trying to say the same thing, do not tie the hands of the Canadian Wheat Board; let them move grain in an expeditious manner in the best direction in their view.

A MEMBER: What do you say?

MR. C. MANNES: I say that I support that. The Canadian Wheat Board has to have a free hand. You have in this whole Crow rate issue, you have the Canadian Wheat Board coming out and saying, let us have our own cars. Don't give us this greater authority that's going to tell us what cars we have; let us be free to decide what we want to do. I think they're saying the same thing with the Churchill argument.

Well, Mr. Speaker, many of the Whereas I can agree with. The first one, that Churchill has tremendous

potential; I agree with that, certainly. It'll come, but it's not going to come in the next short number of years.

It says the Port of Churchill offers the shortest and cheapest route to the destination of 25 percent of western grain producers. Well, that's questionable, Mr. Speaker.

It says, Whereas the Port of Churchill has the existing capacity to ship in excess of 1 million tonnes; I agree with that, Mr. Speaker. And Whereas the proper investment and the upgrading of the Churchill rail line port facilities and in lengthening the port's season would greatly expand the capacity; yes it would, but at a cost, unfortunately at a cost.

And Whereas this would greatly expand economic opportunities in Manitoba in general; yes, Mr. Speaker, and that will come. Again, let us not tie the hands of the Canadian Wheat Board and ask them to do something that ultimately will cost each and every one of us, as grain producers, some share of our total revenue.

So, Mr. Speaker, in closing, unquestionably Churchill has a future; let's work toward its goal, but let's plan it properly and hopefully we'll all be here when Churchill rises to be the greatest ports of our nation.

MR. SPEAKER: The Honourable Member for Inkster.

MR. D. SCOTT: Thank you, Mr. Speaker. I am glad to rise to speak in support of this resolution. From his last words I assumed - or his last phrase anyway, last sentence - I presume the Member for Morris is also speaking in favour of the resolution. On his earlier ramblings through I wasn't quite sure just how conditional that support was which his last paragraph, at least your his last sentence certainly seemed to give a good amount of support to the project and to the expansion of the use of the Port of Churchill.

Mr. Speaker, I am one who was born in the town of St. Catharines. Right along from where my home was in St. Catharines we were just a stones throw from the Welland Canal. We would go over there repeatedly, as kids, four and five-year olds walk over to the canal to watch the big ships going by. Later on, when my family had the great opportunity of moving to Nova Scotia, I then had the advantage of living in another seaport, a very small one in the town of Liverpool, but certainly not so when you look at the deep sea terminals that they had, and were almost completely ignored. After the age of sale, Nova Scotia was basically ignored, in its port capacities and its shipping capacities, by the powers that be in Upper Canada. I think it was that kind of short-sightedness that lead to an incredible expenditure in the building of the seaway and, in that building - I remember as a youngster in driving through a couple of different years on trips from Nova Scotia to Ontario and back again, and my dad taking us down and showing us the old towns that were being flooded out; I remember one town where half the town was on board huge trucks being moved out, it's the town of, if I am not mistaken, the town of Iroquois - building a massive dam and the canal structures along the St. Lawrence at the time.

They did not hesitate pouring hundreds and hundreds of millions of dollars into the construction of the St. Lawrence Seaway, but they did hesitate toward anything

on building the ports that were accessible through the Maritimes and through Manitoba. In the building of the Seaway they, therefore, committed and put most of their eggs in one basket on the east coast, and shipping to nations to the east of North America, and to eastern seaboard of North America, I might add as well. They have tied it all up toward the St. Lawrence Seaway, rather than looking at other port alternatives.

In the shipping of grain they have concentrated on using both the Seaway and the west coast ports. I see them moving now toward building another, and its well under way, another port in Prince Rupert, to accommodate the grain trade; and yet here we have a port that's much closer to most of our markets in Manitoba, and the Federal Government, for all intents and purposes, has almost ignored it; it has given it basic lip service but that's about it.

From the historic beginnings of the railway, as an alternative to the Seaway, and long before the Seaway was built, it was recognized that the Port of Churchill had the ability to service the grain export market from Western Canada, or from a good part of Western Canada. We now have the situation where the port isn't being utilized fully, where the icebreaking service of the Canadian Coast Guard is not provided to the extension of the services of that port, both before and after the regular season, but they could very likely be moving grain there during the month of June instead of waiting until July, and taking it through until the month of November, and passed the month of November possibly even, which would add immeasurably to the amount of grain handled through that port.

We have seen statistics where it is the most efficient port in the country; where it has a higher turnaround than other ports, both east and west of here; yet we see the incredible subsidies toward the movement of grain across the prairies, both to Thunder Bay or to Lakehead and through to the west coast, largely ignoring the potential of Churchill. We have a rail line that is deteriorating because of lack of maintenance almost since the thing was built; it is a very difficult line to maintain, one must always recognize, because of the nature of the typography, because of the permafrost. I have taken a train along there myself and, let me tell you, you giggle along quite a ways as you're rolling along that line.

We, as a province, have proposed to the Federal Government, as part of jobs creation efforts that would also have a very positive extrinality, of upgrading the capability of that line and even moving it, I believe, toward a service of hopper cars, putting hopper cars on that line, through the basic refrigeration of the rail bed so that the permafrost - and there is no trouble in moving the larger cars across there I understand in the winter months when everything is frozen up. It's in the summer months when the permafrost is melting and the track basically floats. Now, through a refrigeration system they could maintain the frozen rail bed, the facilities would be able to handle much heavier cars and, therefore, the rail lines being used would be much more efficiently used as well, because it would cost an awful lot less to run hopper cars than it does running converted boxcars.

We are prepared, Mr. Chairman, to spend hundreds of millions of dollars in upgrading and the maintenance

of the St. Lawrence Seaway which is necessary; and billions of dollars on doubletracking through the Rockies, and yet, we are not prepared to spend it seems, the Federal Government isn't prepared to spend, in the tens of millions of dollars, and I understand it is somewhere in the vicinity of \$15 million, to provide the necessary rail bed stabilization that would be required on the Churchill line to handle larger cars and to increase the volume of traffic going through the Port of Churchill.

We also haven't been very creative I don't believe, or the Federal Government has not been very creative whatsoever, on trying to find alternative products to ship through Churchill as well. I believe, I have heard at one point they were shipping sulfur through the port, but one should be looking, today, at other products as well that are being shipped out of the country. One can look and still stick with agriculture and the oil seeds, and the possibility of moving oil seeds through Churchill in a very large quantity. We have a petro-chemical base in the Provinces of Alberta and Saskatchewan which could potentially be using the port, as well, for export to Europe, in particular, and to the eastern seaboard of the United States and the Latin American countries where it is potential for some trade development and the lack of, I guess, really imagination and initiative to try and diversify the Port of Churchill beyond just the handling of grain. In the foreseeable future grain, I'm sure, will be the primary commodity moving through that port, but they should also be looking at some other commodities that can be moved through. There is a possibility, if the aluminum market was to ever pick up in the world again, for raw processed aluminum and not just the reprocessed aluminum, which is the main expansion right now, and a lot of the facilities is toward reprocessing rather than going from the basic product. Especially in the U.S., that is taking place, but if Manitoba was to have in its future, if world markets pick up again, a possibility of an aluminum smelter in Manitoba, we could very well be bringing in the aluminum to the port and shipping out and using the same vessels so we don't have the deadheading into the Port of Churchill, but they are carrying a commodity into Churchill and carrying a commodity back out.

We've got a hungry world, Mr. Speaker, a world that can be fed, and many of the countries in the world seem to be far more interested in putting their money into armaments rather than into food. As that situation hopefully changes, one can see that much more use for the Port of Churchill in expanding Canada's share of the world grain trade. If one looks at the cost comparisons for shipping through the Port of Churchill, you have a significant advantage. The Port of Churchill versus Thunder Bay, as the Member for Thompson indicated earlier, there is something like a \$16 advantage towards shipping wheat through the Port of Churchill. There certainly has to be some changes take place, I think, in the supply network towards the port and with some rationalization between the railways, between the CNR and the CPR. I would think that one could move a good deal more grain through the Port of Churchill and putting that grain through the rail network, or rationalizing the rail network, so that the CPR lines aren't all geared towards moving to the west and to the east, but also to be able to use those lines and build some connections perhaps as well to the CPR lines for moving north to Churchill.

It's a great opportunity for us, and I'm sure other countries, particularly countries that are landlocked, if they had a Churchill Port such as we have. They would not be writing the port off and ignoring the existence of the port. That port would be developed to a degree that one really couldn't even contemplate. I remember a few years ago visiting the City of Hamburg in Germany and that city is, I forget how many miles inland but it is way, way inland, and the amount of shipping that goes through that city, it's, I understand, one of the highest tonnage ports in the world and — (Interjection) — Hamburg - it is anything at all but a convenient port to be used for any kind of shipping by ships. That is a country that has utilized a riverway to facilitate its purpose and its role in the international world that West Germany is so much involved in, in the world of trade. We, here in North America and in Canada particularly, seem to have ignored the possibilities for the Port of Churchill. One could even look, I would think, perhaps towards moving some grain if there wasn't a Canadian supply - but I don't think you have to worry about this at all because it certainly is the supply of Canadian grain - to be able to move through the ports without going to both other crops and to other commodities.

The Canadian Government is now spending I don't know how much money, but it certainly costs a pretty penny to provide the icebreakers for the seal hunt in the Gulf of St. Lawrence, and yet they're not willing, it doesn't appear, to provide that same sort of icebreaker support for the Port of Churchill. We're moving now into an era where the ice packs and the icebergs can be traced by satellite and, with that technology, I would suggest that the Port of Churchill's length of season for shipping can be extended well beyond the month of November, because then they can measure from satellite. They can get an idea of the density of the ice packs, of how much ice they have to break through, how much strength or what kind of a weight of icebreaker is required to provide the services for the grain ships.

So one has a wealth of opportunities around the Port of Churchill and, yet, we continually ignore these and instead want to spend billions of dollars double tracking through the Rockies not so much for grain, I may add, but for the benefit of coal shipments from southeastern British Columbia to move coal through to the west coast. That is the main purpose behind the disruption of both the Crow and its replacement with the monies going to the railways. It is for coal shipments, not for grain shipments. Yet, members opposite and a lot of other people - not all members opposite - have sat back relatively complacent at seeing the amount of funds that are being spent in the name of grain when it really isn't for grain whatsoever. Here we have a Port of Churchill in Manitoba, which is principally a grain port, and is not being utilized to its capacity.

I would suggest, in closing, Mr. Speaker, that Canada has missed a golden opportunity in not having developed decades ago the full potential of the Port of Churchill. I would call on the members of this House to support this resolution, and to support initiatives of our government to move towards encouraging the Federal Government and getting the Federal Government to put the necessary funds into upgrading the CNR line into Churchill, so that via a stabilized rail bed the Port of Churchill will be able to not perhaps

multiply, but to pretty well double the amount of grain that is currently flowing through the Port of Churchill. Thank you very much, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Emerson.

MR. A. DRIEDGER: Thank you, Mr. Speaker. I also appreciate the opportunity to take part in this debate. I would like to say at the outset that I have no difficulty supporting the resolution and I think anybody that's a Manitoban would be supporting it and I would like to express certain concerns that I think have to be dealt with, that I think the Member for Thompson conveniently or otherwise maybe did not touch on. It's basically in two parts that I want to speak on this resolution.

One is the economical end of it and the other one is the emotional partisan type of approach and I would just like to indicate that in 1977, shortly after having been elected, in 1978 I had the occasion to travel up North with my wife and two youngest kids in a truck and camper and we sort of toured the North and we managed to stop at Thompson. From Thompson we got on the train and took the run down to Churchill. I found that most enlightening. We had a tremendous time out there because I had always wanted to see what it was like up there, the treeless area, the tundra, the permafrost situation and the trip itself was a tremendous experience.

It would be actually beneficial to all members of the House when we consider the only ocean port that we have, that we all, not together maybe, that would be difficult, but that we all had a chance to maybe take that trip to Churchill by way of train, either from Winnipeg or from Thompson, and it's quite an experience. It's a real experience.

—(Interjection) — I didn't indicate exactly what my political background was at the time I was up there, but getting down there we had a very good reception and we had a good chance to tour the area. We didn't have the opportunity to see the Beluga whale or the Fort Prince of Wales because the water was too rough and we didn't have a chance to see the polar bears which were just starting to come in at that time but we didn't see any that day.

What we did see however was where the Americans used to have their hangars standing there and I don't know how many are left at this time because they had been physically bulldozed down and it was tragic. The information we received was that the population figures had dropped dramatically once the Americans moved out and certain other things had happened and it wasn't as lucrative as it once was.

We also had the opportunity to look over the big complex out there. I think it was a tremendous complex. It's just something worth seeing, right out there against the ocean. The Arctic Ocean stands as a big monstrosity and — (Interjection) — Hudson Bay, well, whatever. Touring through this whole thing they have facilities that would be mind-boggling and the thing that bothered me a little bit was the population at that time I believe was 500 or something of that nature. When I consider the constituency that I represent of approximately 17,000 people and I thought to myself, if we could have that one building right in the centre of my constituency, we would sure get a lot more use

of it than it does up there. Not denying the fact that these people shouldn't have some of these facilities but my understanding also is that - and this is where you gradually get into the economics of it - my understanding is that the Federal Government initially built it and the Provincial Government is paying the upkeep and the maintenance on this operation. I think my Member for Lakeside can probably confirm that. — (Interjection) — My understanding is that to maintain that complex at this time costs somewhere over \$1 million a year, which is a subsidization to keep running that whole place.

But I just wanted to mention some of these things. There are good features, aside from the shipment of grain, there are many features in Churchill that are really enjoyable. I think the thing that has been missed is the tourist aspect of it and I think it is gradually picking up. There is a lot of potential for tourism up there. I personally like the Northern country. I like to get up there and have a look at it and I think many of our American friends, those that would still want to come to this province now after last week's episode, would probably enjoy going up there and seeing what it's all about.

The thing that I'd sort of like to touch on the economical end of it, and the Member for Thompson in this resolution has illustrated various things and my impression is that the onus is all directed towards the Federal Government. They should come and spend all kinds of money in there. In looking at the whole thing I'm wondering how serious the Member for Thompson really is in presenting this resolution. Upon reading it and listening to some of the comments, I think it's basically just a political front that he's putting forward in terms of that.

I wonder how sincere he really is about it or how sincere the Government of the Day really is in terms of the Port of Churchill and the reason why I have to hold the Member for Thompson suspect is because we had a very capable man on the Hudson's Bay Route Association, the Member for Rock Lake by the name of Henry Einarsson, who time and time again in this House, when he was on the Hudson's Bay Route Association, got up here and expounded and pushed for the use of the Port of Churchill. What happened, this government saw fit to take a capable man like that off that Board and put the Member for Thompson on that Board who has virtually no knowledge of the grain industry, of the activities of the Port of Churchill. — (Interjection) — We had a capable member and now I hold this member suspect.

In fact, even at that time, the then Member for Churchill had a difficult time keeping ahead of the Member for Rock Lake because the Member for Rock Lake would be raising questions in the House to his own Ministers and the Member for Churchill at that time, it totally passed him by. I think he helped make the Member for Churchill possibly more responsive to his area because the Member for Rock Lake had more knowledge of what was going on there than the Member for Churchill did.

The thing that creates difficulty with this resolution, it obviously indicates, and I'd like to read — (Interjection) — If the member would shut up and listen a little bit, I told him I would support the resolution, I told him I'd have some comments to make on it and

he's interrupting me. The one WHEREAS in here that bothers me:

"WHEREAS with proper investment and promotion the Port could expand the shipment of other goods and commodities." - I don't know whether in his speech he indicated exactly what other commodities or what kind of promotion because nowhere in here, when we get down to the THEREFORE BE IT RESOLVED, the onus is all directed to the Federal Government. What is this Provincial Government prepared to do to the only ocean port that we have? Expenditure-wise, on the wish list, they have the upgrading of the rail line but they want the Federal Government to do it.

I think the Member for Morris outlined very beautifully the implications of shipping grain to Churchill and the financial involvement to bring that port up to the point where it can handle more grain. — (Interjection) — After having seen the facility at Churchill, and it serves its purpose, but when you talk to the federal employees working there, each one of them will indicate that it is economically not viable at the present time to ship grain via Churchill. The whole operation in Churchill is not economically viable at this stage of the game.

If the member had taken some time to do his homework and checked with the Federal Government in terms of what the costs are to move grain through there, then he might have reworded his resolution a little bit. As I indicated, I would like to personally see, as I think most Manitobans would like to see, that port expand and boom. I found it interesting when we were at Thompson at that time, when the nickel mine was still operating relatively well, that they did not ship their nickel through Churchill and it was somehow through the governments and regulations that be, that they found it more economical to ship nickel from Thompson all the way down here to the Lakehead rather than ship it out via Churchill.

Anyway there's many implications and problems in terms of shipping through Churchill. Anybody that has gone along that line via train you'll find out. We went in August; you can imagine the permafrost. I found it exciting, and the train is down to five miles an hour in places. You have endless crews out there trying to shore up. On your "Wish List" this government indicates we should build up the lines, so that we can take the heavy hopper cars on there.

A MEMBER: That whole side should go out there . . .

MR. A. DRIEDGER: I wonder how you'd ever justify the economic costs versus the benefits to be gained from it. As I indicated, I'd like to see it, also the loading facilities. I had the occasion a few years ago to be down at the Lakehead and see where the various grain companies have their loading facilities. — (Interjection) — No, one of the shipping organizations. I found it most enjoyable to see that.

If you look at both the facilities at the Lakehead in comparison to the facilities at Port Churchill, you realize the immensity of the investment that would be required to bring that thing up to the point where it could be relatively competitive. As I indicated before, it is not economically viable at this stage of the game. It just isn't. You talk to anybody you want, but it's a nice dream and I support the dream.

I think that somewhere along the line, depending what economic conditions do, I think it would be nice if we could have port facilities there, do a lot of our shipping out there with the kind of equipment that they have now for icebreaking, the season could be extended. The thing that the Member for Thompson has overlooked and I think illustrated well by the Member for Morris, the complications of getting the right kind of grain to those facilities unless you want to really expand the facilities, so that you can do your grading there.

When you talk to the manager at the Port of Churchill, he indicates one of the problems you have out there is screenings. They do a certain amount of cleaning to bring it up to a certain grade. They have nothing to do with the screenings. When our member for Government Services, when we were still in power, indicated at one stage of the game that the cost of operating the complex out there was dramatic, and that we had some of these American hangars standing empty, and he had a very good proposal that I thought was sort of funny at the time, but maybe he isn't that far off base.

He indicated we should ship our feeder cattle up to Churchill. Feed them the screenings and we'll ship out the rest of the meat from there, utilize it. Anyhow, these are the things that this member has not addressed though, things like the screenings, what do they do with them? They burn them out there.

A MEMBER: They don't.

MR. A. DRIEDGER: They have to burn them out there. They can't ship them all the time; some of those screenings get burned out there. It is a problem. — (Interjection) — Very little of it comes back.

In talking to some of the people that are involved with the Port of Churchill, the one thing that they bring forward from time to time and illustrate is they agree that it is not economical. We've passed this resolution a few times since I've been in this House, and I think it's been passed unanimously. As indicated, I think the Member for Thompson is playing politics with it to some degree. It makes good; it's a good motherhead type of thing. He's got very little in here. Why is he and the Member for Churchill not coming up with some positive direction from the province itself? Totally overlooked. They pass it all onto the Federal Government. — (Interjection) — Well, let's read it then:

"THEREFORE BE IT RESOLVED that this Assembly urge the Federal Government and through it, the Wheat Board, to utilize a port to its present capacity for the shipment of grain, and

"THEREFORE BE IT FURTHER RESOLVED that this Assembly also urge the Federal Government to clearly commit itself to upgrading and development of the Hudson Bay rail line and the Port of Churchill in order to fully utilize the potential of the port."

That is the extent of suggestion that this member has in terms of how we should utilize that port. At whose cost? He has no idea of the cost or the problems involved with it, but it sounds good in Thompson. The Member for Thompson has brought in a resolution, let's make better use of the Port of Churchill. That's because, as I indicated, he's on that board, now kicking

off a very capable man who is actually working towards this, and it's going to be a long, slow process.

A MEMBER: That's the NDP philosophy, get rid of a good-working man and replace him with a dud.

MR. A. DRIEDGER: I would suggest in my closing remarks to the Member for Thompson, if you are sincere about what you're saying in your resolution here, then why do you not, with the government that is in power with your Ministers, work out proposals. I find it ironic, when on your "wish list," they have upgrading of the rail line to Churchill.

I fail to comprehend the relationship money-wise in terms of who will do that. They say, well, if the Federal Government will participate, we will start doing that. — (Interjection) — It boggles me in terms of how do you justify that kind of statement, because even if you've built up that rail line to the point where it could carry the hopper cars, the facilities at the other end are not anywhere adequate - and the cost at the other end of operating the port.

I had occasion the other day to talk to the manager who is down in Winnipeg, Mr. Figurski, and he indicates to me the cost of just operating two tugs out there for a few months. You can't move them out; they stand idle most of the year. They're in operation three or four months, they're fully manned by a nine-man crew. The cost is phenomenal. According to the port regulations, they have to have a fully manned crew on there and, you know, they sit idle for a week at a time. The total cost is something else. So there are many things that are related to the problems in terms of expanding the Port of Churchill. But sincerely, as I indicate, I support the idea that we should make better use of the Port of Churchill.

If this member is sincere, he should go to his front bench and say listen - I come back to this one area again - with proper investment and promotion could expand the shipment of other goods. I wish the member could indicate what other goods, what type of promotion? Certainly, this resolution is not promotion enough, because governments can probably operate a place like the Port of Churchill and keep losing money because they don't have to be necessarily accountable in terms of losing money. At least, that's the experience we've had from this government opposite from us. If it was the private enterprise people involved there, it's going to be cold, hard economics to make that thing pay.

Once again, Mr. Speaker, I indicate that I will support the resolution because it's a type of thing that's a motherhood statement, for Manitoba, let's go. I think the Member for Thompson — (Interjection) — should do a lot more homework if he wants to promote his position in terms of his support for Churchill.

Thank you.

MR. SPEAKER: The Honourable Member for Radisson.

MR. G. LECUYER: Mr. Speaker, with the agreement of the members from the opposition, could we call it 5:30?

MR. SPEAKER: Can we call it 5:30? The time being 5:30, I'm leaving the Chair to return at 8:00 this evening.