

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 9 June, 1986.

Time — 2:00 p.m.

OPENING PRAYER by Madam Speaker.

MADAM SPEAKER, Hon. M. Phillips: Presenting Petitions . . . Reading and Receiving Petitions.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MADAM SPEAKER: The Honourable Member for Minnedosa.

MR. D. BLAKE: Madam Speaker, I beg to present the First Report of the Committee on Public Accounts.

MR. CLERK: Your Committee met on Tuesday, June 3 and Thursday, June 5, 1986 in Room 255 of the Legislative Building. Your committee elected Mr. Blake as Chairman and agreed that at all future meetings a quorum would consist of six (6) members.

Your committee considered the Report of the Provincial Auditor.

Your committee received all information desired by any member from Mr. F. H. Jackson, Provincial Auditor, the Minister of Finance, and staff from the Department of Finance with respect to matters arising from the Report.

Your committee considered the Report of the Provincial Auditor for the fiscal year ended March 31, 1985 and adopted the same as present.

All of which is respectfully submitted.

MADAM SPEAKER: The Honourable Member for Minnedosa.

MR. D. BLAKE: Thank you, Madam Speaker.

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

MOTION presented and carried.

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

The Honourable Minister of Finance.

HON. E. KOSTYRA: Could we revert back to Ministerial Statements, please?

MADAM SPEAKER: Does the Minister have leave to revert back to Ministerial Statements. (Agreed)

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

HON. E. KOSTYRA: I have a statement, Madam Speaker.

I would like to advise the House that two of our colleagues, Education Minister, Jerry Storie, and Health

Minister, Larry Desjardins, appeared before a Parliamentary Committee reviewing Bill C-96 in Ottawa this morning, to express Manitoba's opposition to federal reductions in funding for health and higher education.

As members are aware, the measures contained in Bill C-96 represent a serious threat to vital established program financing; financing the Manitoba Government is reliant upon for the maintenance of social programs which our New Democratic Party Government is committed.

The effects of the proposed federal cutbacks are unimaginable . . . The costs of maintaining levels of service comparable to those offered today, after such cutbacks, would be great.

But Bill C-96 is enacted, and we choose to increase tuition fees to cover the costs of higher education, by 1991, tuition fees at our universities and colleges would have to doubled.

In the area of medical costs, by 1990-91, the bill would achieve a shortfall approximately equal to today's annual operating budget for the St. Boniface Hospital.

I am tabling for all members - a copy of our brief, "SETTING PRIORITIES STRAIGHT," which was presented in Ottawa this morning; and also a package of background information which was presented verbally on overhead projections at an all-party briefing that members of the House attended last Friday.

Our government is committed to fighting the passage of Bill C-96, and we are confident that when all the evidence is heard, and assessment is made of the impact of reduced federal support, Manitoba's position and our call for the withdrawal of Bill C-96 will be endorsed.

MADAM SPEAKER: The Honourable Member for Morris.

MR. C. MANNES: Thank you, Madam Speaker.

I thank the Minister for this announcement today. Also, I would like to thank himself, and other members of the government, for preparing the explanation, morning session, last Friday.

Madam Speaker, in reading the Minister's announcement, I had hoped that members of the Opposition had had some success in convincing the government opposite that, indeed, using of the words like "cutback, serious threat, doubling of tuition", all, of course, meant to incite, to some degree, those people who are paying tuition fees, those people who are lecturing at universities, those people who are patients of the health care system, to rise up, in a sense, against the Federal Government, all those actions would serve no real meaningful purpose. I am disappointed in some of the terminology used by the Minister of Finance.

As I have explained before, Madam Speaker, cutbacks is not the proper word to use. The Minister one time last week, when we were debating on the Budget Speech, used the term "an increase, or a decrease" in the increasing rate of federal support. I

gave him credit for that. I was hoping that would be the type of terminology we would continue to see when he addressed this whole area of cutbacks and the whole area of transfer payments.

Madam Speaker, the Minister talks about a serious threat to vital established program financing. We've talked again in the Budget Debate about deficit spending, about attempting to handle the debt of the nation and of the province, and pointing out to the Minister opposite that the Federal Government is now directing close to 30 percent of all their revenues toward servicing the debt of the nation. Yet nowhere do I see within this statement, Madam Speaker, an indication that the members opposite have seen fit to see and understand that very vital concern of all Canadians.

Madam Speaker, we on this side, as indicated by the amendment that we brought forward when we were talking about the resolution that was introduced by the Member for Old Kildonan with respect to transfers, indicated that we were prepared to work in agreement with the party in government to bring forward the best type of deal for Manitoba, when now the Federal Government is considering again restructuring a formula in support of post-secondary education and health services. I honestly don't believe that the rhetoric that has been used within this ministerial statement today allows us to work toward a concerted effort.

I am disappointed in the slogans used, Madam Speaker. Nevertheless, I will be interested to hear how the response given by the government, how indeed they were questioned by the committee, the federal committee, and the responses that they offered.

Thank you to the Minister for the statement given today.

INTRODUCTION OF BILLS

HON. V. SCHROEDER introduced, by leave, Bill No. 14, The Manitoba Energy Foundation Act; Loi sur la Fondation manitobaine de l'énergie. (Recommended by Her Honour the Lieutenant-Governor)

HON. J. PLOHMAN introduced, by leave, Bill No. 17, An Act to amend The Taxicab Act; Loi modifiant la Loi sur les taxis.

HON. B. URUSKI introduced, by leave, Bill No. 22, An Act to amend The Agricultural Credit Corporation Act; Loi modifiant la Loi sur la Société du crédit agricole. (Recommended by Her Honour the Lieutenant-Governor)

INTRODUCTION OF GUESTS

MADAM SPEAKER: Before we move to Oral Questions, may I direct the attention of honourable members to the gallery where there are 28 students of Grade 9 from the Murdock MacKay School. These students are under the direction of Mrs. Trush, and the school is located in the constituency of the Honourable Member for Transcona.

We have 29 students of Grade 9 from the Lockport School. These students are under the direction of Mr. M. Wiebe, and this School is located in the constituency of The Honourable First Minister.

We have 48 students from the English Immersion Program at the University of Winnipeg from the Province of Quebec. These students are under the direction of Miss Norma Armstrong, and the school is located in the constituency of the Honourable Member for Wolseley.

On behalf of all the members, I'd like to welcome you all to the Legislature this afternoon.

May I also direct attention of honourable members to the loge to my right where we have the Honourable Tony Penikett, the Government Leader in the Yukon visiting with us this afternoon.

On behalf of all the members, we welcome you here to the Legislature.

ORAL QUESTIONS

Manfor Annual Report

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Madam Speaker, my question is for the First Minister. We are being asked to approve \$13.5 million in Capital Supply for Manfor. We understand from the latest available reports that Manfor's last fiscal year saw a loss of approximately \$24 million. My question to the First Minister is, when will he see that the Manfor Annual Report is tabled here in the House.

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, I'll accept that question as notice on behalf of the Minister responsible for Manfor.

MR. G. FILMON: Madam Speaker, in view of the fact that the act governing Manfor requires that Annual Report to have been tabled within 15 days of the beginning of a Session, and we're well beyond that point, will he insist that the Minister responsible table that report immediately?

HON. H. PAWLEY: Madam Speaker, I will certainly be taking that up with the Minister, and it will be filed very soon.

Reception for Red River College Day Care Graduates

MR. G. FILMON: Madam Speaker, on another topic, I have a question for the Premier. I have a copy of a letter that has been sent out by the Member for Thompson inviting people and their guests to a reception honouring child care workers who have completed training under an extension division of Red River Community College. You're inviting them to a reception provided by an MLA at taxpayers' expense to present certificates to graduates of this program. My question to the Premier: is this a new initiative on the part of the government that MLA's are going to be holding receptions at taxpayers' expense to present certificates to graduates of courses?

MADAM SPEAKER: The Honourable Minister of Community Services.

Monday, 9 June, 1986

HON. M. SMITH: Madam Speaker, the initiative to help day care workers acquire the training required by the new standards in day care has been helped by some Jobs Fund training money, and they have been trained through the Red River Community College. In fact, it's a cooperative effort to help the service under my department, cooperation from the Jobs Fund people, and from the Minister of Education. We held one reception here for day care workers who were trained in this area. There was one in the western region of the province and one up North, in keeping with our delivery of that program in a decentralized a fashion as possible, so that all the workers could take part.

MR. G. FILMON: My question, Madam Speaker, is, why should an MLA be hosting a reception for these people at taxpayers' expense?

HON. M. SMITH: Madam Speaker, a government function is often assisted by an MLA. I was unable to attend and the Honourable Len Evans and Jerry Storie were unable to attend, and the MLA for that area is in fact standing in for us.

MR. G. FILMON: Well, Madam Speaker, why then was the invitation not sent out by the government or the Minister's department, and the MLA be the stand-in? Why was this sent out on the MLA's stationery as his reception?

MADAM SPEAKER: The Honourable Minister of Employment Services.

HON. L. EVANS: Well, there's no doubt, Madam Speaker, that this is a program sponsored by the government, administered by the government, and it's indeed useful to have MLA's encourage people to attend these very worthwhile functions, particularly when the MLA happens to be the Legislative Assistant to the Minister of Employment Services.

MR. G. FILMON: Madam Speaker, I repeat, why did the government and the Minister not invite these people to the reception and the MLA for Thompson appear on their behalf? Why did this go out on his letterhead?

MADAM SPEAKER: Order please. A question should not repeat in substance a question already answered or to which an answer has been refused.

A MEMBER: He hasn't given an answer.

MR. G. FILMON: Well, Madam Speaker, then I will ask a new question to the Minister responsible. Is this a new practice that the government does not send out invitations to receptions but rather MLA's send out invitations to receptions and the cost is paid for by the taxpayer?

HON. L. EVANS: Madam Speaker, I can double-check but I'm sure that the various agencies involved have sent out official invitations to people and have invited many in that area to participate in a very fine exercise. The MLA, of course, is free to assist by encouraging others in the community to attend. I can double-check

but I'm sure there are various official invitations that have gone out.

MR. G. FILMON: Madam Speaker, if the Minister cares to review it, I have a copy of the letter that was sent out. I also have a copy of the memo from the Minister responsible setting this up with the MLA so that he sends out the invitations on his letterhead and that the cost is picked up by the government. Is this going to be a practice that will be followed and will every MLA on both sides of the House be able to hold receptions for people, to honour them, to make presentations, at taxpayers' expense?

HON. L. EVANS: Yes, Madam Speaker, we'll take it under review, but I repeat that the Honourable Member for Thompson is the Legislative Assistant to the Minister of Employment Services.

MADAM SPEAKER: The Honourable Member for St. Norbert.

Catholic schools - funding to

MR. G. MERCIER: Thank you, Madam Speaker. My question is to the Premier, Madam Speaker. Can he advise the House if he has met with representatives of the Manitoba Catholic School Trustees Association who plan to petition the Federal Government to enforce an 1895 federal order for full funding of Catholic schools?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, sometimes the Member for St. Norbert isn't as audible as one would like. I wonder if he would mind just repeating the question.

MR. G. MERCIER: Madam Speaker, I apologize to the Premier. Could he inform the House if he has met with representatives of the Manitoba Catholic School Trustees Association with respect to their plans to petition the Federal Government with respect to the order, for full funding of Catholic schools, of 1895?

HON. H. PAWLEY: Not with that particular group, Madam Speaker. I met some months ago with the Federation of Independent Schools in regard to that particular question.

MR. G. MERCIER: Madam Speaker, I believe there were news reports well before the election that indicated the Catholic School Trustees Association had been trying to meet with the Premier. Could he inform the House whether he has refused their request for such a meeting, or does he plan to meet with them in the future prior to their going to Ottawa?

HON. H. PAWLEY: Madam Speaker, I will have to check my records, but I met with the Federation of Independent Schools. To the best of my recollection, present at that meeting were representatives of the Catholic Schools, Mr. Stangel and others, and Mr. Brock, who I believe were representing at that particular

meeting the Catholic schools of the Province of Manitoba.

MR. G. MERCIER: Madam Speaker, could the Premier indicate to members of the House what the position of the government is then with respect to the plans of the Catholic School Trustees Association? What is the position of the government with respect to their plans to ask the Federal Government to become involved in this matter?

HON. H. PAWLEY: Madam Speaker, I respect their right to petition the Federal Government as they are doing, based upon what they feel to be a sufficient basis to obtain legal redress. In accepting their right, that does not necessarily believe, on my part, that their case will be responded to in a positive way, but time will only tell. But I respect their right to petition.

Sexual disorders in children

MADAM SPEAKER: The Honourable Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Madam Speaker. My question is to the Attorney-General.

In light of the report of the Canadian Pediatric Society that there is an epidemic of sexual diseases in children and that this reflects sexual abuse, will the Province of Manitoba be moving to introduce legislation by which chlamydia, herpes and vaginal warts would have to be reported by doctors in the province?

MADAM SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: To the best of my knowledge, Madam Speaker, there already is legislation under The Health Act which requires some reporting by doctors of venereal diseases. I believe that legislation is sufficient to cover the kind of question that is being raised by the Member for River Heights.

But I am prepared to take that as notice in the absence of my colleague, the Minister of Health and we will have our officials examine the legislation to see whether or not it's adequate or inadequate.

The phenomenon reported in the paper, as far as I can recollect, is a national phenomenon. There is no suggestion that it is a problem in Manitoba or likely to be that is not sufficiently covered by legislation.

Chlamydia - study of

MADAM SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Madam Speaker. A follow-up question to the Attorney-General on that topic. Some seven months ago, I held a press conference in which I urged the Minister of Health to undertake making chlamydia a reportable disease under the . . .

MADAM SPEAKER: Does the honourable member have a question?

MR. D. ORCHARD: Yes, Madam Speaker, I have a question. On the basis of that request some seven

months ago, could the Attorney-General advise the House as to whether the Minister of Health had forwarded that request to him, and at what stage that request might be within his department?

MADAM SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: I'll take that as notice.

Small Business Loans Fund

MADAM SPEAKER: The Honourable Member for Portage la Prairie.

MR. E. CONNERY: Madam Speaker, to the Minister of Business Development and Tourism. Last Friday we were given a bill, Bill 13, for Capital Authority that was urgently needed to provide funding, and part of it was the \$10 million for the Small Business Development Fund. Can the Minister tell us when the criteria for that fund will be available?

MADAM SPEAKER: The Honourable Minister of Small Business Development.

HON. M. HEMPHILL: Thank you, Madam Speaker. I think my answer today is the same as it was about a week ago when this question was asked in the House, and that is the criteria will be developed as soon as we can develop it, after we have had the necessary discussions and consultations with the business community.

Tomato Growing Contest

MADAM SPEAKER: The Honourable Member for Elmwood.

MR. J. MALOWAY: Thank you, Madam Speaker. My question is for the Minister of Agriculture. On Friday, the Member for Niakwa began a big tomato growing race and given that it is unlikely that I could win the tomato growing contest with my current plant, could the Minister use his good offices . . .

MADAM SPEAKER: Order please. Exhibits are not allowed in the House.

The Honourable Member for Elmwood has a question?

MR. J. MALOWAY: I was wondering if the Minister could use his good offices with the Member for Niakwa to investigate whether there are second chances for beginners.

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Madam Speaker, I am sure that the Member for Niakwa, by the colour of his face and mine, were out weeding all weekend as well, and I am sure that he can do his weeding on his tomato himself, Madam Speaker.

Bill 22 - criteria

MADAM SPEAKER: The Honourable Member for Virden.

MR. G. FINDLAY: Thank you, Madam Speaker. My question is to the Minister of Agriculture. In the Budget, and again in Bill 13 on Capital Supply, there is \$5 million requested of the Farm Start Program. There is no question that those people who will qualify need that money immediately. Have the criteria been determined for this program, and when will they be announced to us?

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Madam Speaker, I am sure the honourable member heard the introduction of Bill 22 this afternoon. That is precisely the reason that that capital sum is required. The bill will bring forward the kind of amendments that we want to have in place in order that we can implement that program.

MR. G. FINDLAY: Is there any idea as to how many farmers will be helped by this \$5 million program?

HON. B. URUSKI: Madam Speaker, this will be one more program to the many that we have introduced in the last number of years to assist farmers and give them another option in terms of availability of credit and an innovative way of financing mortgages between retiring farmers and young farmers taking over their enterprises without a huge amount of capital or debt load.

MR. G. FINDLAY: Could the Minister give us some idea as to when Bill 22 will get Second Reading?

HON. B. URUSKI: Madam Speaker, I am sure the member will bide his time. He's got one major bill. As soon as the bill will be ready, he will be notified in the usual manner, Madam Speaker.

Beef Stabilization Program

MR. G. FINDLAY: Another question for the same Minister. Also in the Budget, and again in Bill 13 on Capital Supply, there's a request for \$16.6 million under the Manitoba Beef Stabilization Plan. Could he give us some idea as to what that money is intended for?

HON. B. URUSKI: Madam Speaker, the discussion on my Estimates is on this afternoon. It's a wide-ranging discussion and I'm sure if members wanted, we could be on the Beef Commission and those kinds of discussions could be undertaken. I'm sure the honourable members will avail themselves to every opportunity to discuss this matter, and it deals with the Beef Stabilization Program.

MTS - \$65.6 million allotted to

MADAM SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Madam Speaker. My question is to the Minister responsible for the Manitoba Telephone System. This year the Telephone System intends to undertake capital expenditures of some \$149 million. The Loan Act, which the Minister of Finance has asked us to urgently pass because of a need for funds, indicates that MTS is requesting some \$65.6 million. Given that it appears as if MTS will be financing from internal sources some \$85 million worth of capital construction, could the Minister indicate the urgency for the Loan Act request as part of the Loan package which must be passed this afternoon?

MADAM SPEAKER: The Honourable Minister of Labour.

HON. A. MACKLING: Thank you, Madam Speaker. The Honourable Member for Pembina refers to a question he asked in Committee of the Whole; the answer will be given then, and the information is available.

CNR layoffs

MADAM SPEAKER: The Honourable Member for Thompson.

MR. S. ASHTON: Thank you, Madam Speaker. My question is to the Minister of Highways and Transportation. Recently, CNR announced a series of layoffs involving more than 50 people across the province, 38 of whom are located in Northern Manitoba. In view of the fact that there is a great deal of concern in Northern Manitoba about the impact these layoffs will have on safety, I'd like to ask the Minister what action he is going to take to make the concerns of Northerners aware to the Federal Minister in regard to this matter?

MADAM SPEAKER: The Honourable Minister of Highways and Transportation.

HON. J. PLOHMAN: Madam Speaker, I thank the Member for Thompson for that question. I have also had representation made to me from the Member for The Pas, The Minister for Northern Affairs, as well as the Member of Parliament for Churchill, who has been speaking out strongly on behalf of Northern Manitoba in the area of cutbacks, not only with regard to the C.N. where we've seen a disproportionate number of layoffs, Madam Speaker, in the area of C.N. that will effect safety, in our estimation.

We are concerned with that, with the safety matters, especially because the reduction in staff involves the line maintenance. What can happen, of course, is that trains that are not capable of being sent to Winnipeg for maintenance will be done so in an unsafe condition. That is very much a concern. We've seen derailments across this country. There's been concerns expressed and evidence of it in this year right across the country with regard to rail safety. This is another example, Madam Speaker, of a reduction at the expense of safety, and we are very concerned and have made representation to the Federal Government on that and will continue to do so.

MADAM SPEAKER: May I remind honourable members that answers to questions should be brief.

The Honourable Member for Morris.

CNR layoffs

Bill No. 13

MR. C. MANNESS: Thank you, Madam Speaker. I address my question to the Minister of Finance. Madam Speaker, my colleagues have indicated to the government that, indeed, there is some urgency that appears to be lacking with respect to roughly \$80 million of Bill 13, The Loan Act (1). My question to the Minister of Finance, will the Opposition be forced to pass Bill No. 13 quickly, given that the disclosure of roughly \$80 million worth of spending and loan authority has not been detailed in the form of criteria or program.

MADAM SPEAKER: Order please. Beauchesne Citation 359 (12) says "Questions should not anticipate a debate scheduled for the day, but should be reserved for debate."

The Honourable Member for Thompson.

MR. S. ASHTON: Madam Speaker, I have a supplementary on the previous question. That was in regard to the auxiliary . . .

MADAM SPEAKER: I ruled the question out of order. The Honourable Member for Thompson.

MR. S. ASHTON: Yes, I have a question in regard to the fact that cutbacks . . .

MR. G. MERCIER: I've got a point of order, Madam Speaker.

MADAM SPEAKER: What is the point of order?

MR. G. MERCIER: The question put by the Member for Morris was with respect to statements already made by the Minister of Finance. Surely in the light of information received today in question period, the Member for Morris is entitled to ask the Minister of Finance with respect to the accuracy of those statements that he made last week.

SPEAKER'S RULING

MADAM SPEAKER: I ruled the question out of order. Is the honourable member reflecting on my ruling? I believe that the Honourable Minister has plenty of opportunity this afternoon, in debate, to answer that question. The question was out of order and I quoted the Citation. I do hope the honourable member is not reflecting on my ruling.

MR. G. MERCIER: Madam Speaker, I, with respect then, would challenge your ruling.

MADAM SPEAKER: The ruling of the Chair has been challenged. Shall the ruling of the Chair be sustained? All those in favour, please say Aye. All those opposed please say Nay. I rule the Ayes have it and the ruling of the Chair is sustained.

The Honourable Member for Thompson, was in the middle of a question.

MR. S. ASHTON: Just to restate it, Madam Speaker. Due to the fact that one of the cutbacks that was announced with the elimination of the auxiliary train which is used in the case of derailments in Northern Manitoba, and in view of the fact that this train was presently used for the Pikwitonei derailment, I'd like to ask the Minister if he could contact the Federal Government in this regard to express the concern of Northerners in regard to this cutback.

MADAM SPEAKER: The Honourable Minister of Highways and Transportation.

HON. J. PLOHMAN: Madam Speaker, we will be making further contacts with the Federal Minister with regard — not only to the auxiliary train and the fact that the train will not be available for repairs as it was needed just last week for the Pikwitonei derailment — we will also be following up with the Federal Minister with regard to the layoffs that I mentioned previously to ensure that Manitoba's interests are kept at the forefront of the Federal Minister's attention, Madam Speaker.

MADAM SPEAKER: The Honourable Member for Thompson, with a final supplementary.

MR. S. ASHTON: Finally, Madam Speaker, I would like . . .

MADAM SPEAKER: . . . with no preamble.

MR. S. ASHTON: I'd like to ask the Minister if he could also express concern about the cutbacks in service and the cutback in the use of the Port of Churchill that have been used as excuses for these particular moves by the CNR?

MADAM SPEAKER: Order please. Was the honourable member asking for a Minister to indicate whether he had a concern or not?

MR. S. ASHTON: Madam Speaker, I asked the Minister if he would express the concern of Northerners and, hopefully this Legislature, in regard to those concerns.

HON. J. PLOHMAN: Well, Madam Speaker, it seems that the honourable members across the way aren't concerned about Churchill, as they yell and scream about the question. They have not asked one question about the Port of Churchill, Madam Speaker, in the last month that we've been here. We have seen a decrease in the amount of shipments going through the Port. That was one of the reasons why we're . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please.

HON. J. PLOHMAN: . . . seeing layoffs in C.N. We're going to be making strong representation in continuing to work within the mechanisms that we have, Madam Speaker, to ensure that traffic is increased to the Port

of Churchill. We are also asking C.N. to put in place developmental rates to ensure that they promote the use of additional commodities being shipped through the Port of Churchill, Madam Speaker. When they're dealing with other companies, the rates are so prohibitive at the present time that it isn't possible for new companies to begin work and shipping through the Port of Churchill.

MADAM SPEAKER: Order please. Question period is not a time for debate.

The Honourable Member for Lakeside.

MR. H. ENNS: Thank you, Madam Speaker . . .

MADAM SPEAKER: Order please. The Honourable Member for Lakeside would like to ask a question. The Honourable Member for Lakeside.

Port of Churchill - effect of CNR layoffs

MR. H. ENNS: Perhaps the Acting Minister of Natural Resources can accept this question as notice. The question being, could the Minister please inform the House as to the status of water licences issued to Saskatchewan Power Corporation in relation to their impoundment of Churchill River at Reindeer Lake. It's my understanding that the Saskatchewan Power Corporation has been operating without licences for at least four or five years.

MADAM SPEAKER: The Honourable Minister of Labour.

HON. A. MACKLING: Yes, Madam Speaker, on behalf of the Minister of Natural Resources, I will take that question as notice.

Potash mine - status of

MR. H. ENNS: Madam Speaker, I had a number of other questions on that subject, but I'll defer that till another occasion.

I have another question to the Minister of Energy and Mines. Madam Speaker, later on this afternoon, we're going to be dealing with one of the first loan bills. I have, on a number of occasions, asked the Minister of Energy and Mines where the government is going to find the money to invest in that world-class potash development in western Manitoba. He's undertaken on several occasions to provide the House with that information. I wonder if he is in a position to do so now. I see an item of \$65 million under the Manitoba Development Corporation in The Loan Act 13 that we are being asked to consider this afternoon. Surely it's not unreasonable to ask for the information at this time.

MADAM SPEAKER: The Honourable Minister of Energy and Mines.

HON. V. SCHROEDER: Thank you, Madam Speaker. The short answer is that it's not in The Loan Bill we'll be dealing with this afternoon; but the long answer,

which I'm pleased to provide to the member, is whether the government — and this goes back to the questions the member has asked on a number of occasions — there was one question as to whether the government had decided on a fixed amount of investment in the project and where it appeared in the Budget. The current status of that project is that the Government of Manitoba and Canamax Resources have entered into a co-ownership and development agreement. That agreement was announced by the Minister on April 10, 1986.

Under that agreement, all the assets of the project are held by a new entity, the Manitoba Potash Corporation, in which Manitoba has acquired a 49 percent interest for a purchase price of \$5 million. Canamax retains a 51 percent interest. The agreement provides funding for the completion of detailed feasibility work within 17 months and establishes the basis for the introduction of third parties into the consortium.

The government has not yet decided what share it might take in the final production consortium. It has been indicated, however, that we would be prepared to consider perhaps a 25 percent interest. The funds expended to date for the 49 percent interest in the project during the feasibility stage have been provided through the Manitoba Jobs Fund.

There was a supplementary question asked by the Honourable Member for Lakeside. The question is, will it be the Manitoba Mineral Exploration Corporation or will the monies allocated for this venture appear under one of the capital schedules? The answer to that is, MMR has been involved with the potash project, but major government investment in the project, when the production consortium is formed, will not necessarily come from that particular corporation. The monies to be allocated may well appear under one of the capital schedules. That will be determined when the production decision is taken, which will not be for some number of months, but I do look forward to the development, as the honourable member states — the development of a world-class potash project in Manitoba. Things are proceeding, step by step, through the feasibility stage, leading to the establishment of the consortium, and hopefully, by 1991, a producing potash mine in Manitoba.

MADAM SPEAKER: The Honourable Member for Lakeside with a supplementary.

MR. H. ENNS: I thank the Minister for that response. I wonder, Madam Speaker, whether or not that agreement that the Minister referred to can be tabled at this time in the House?

HON. V. SCHROEDER: Madam Speaker, I don't have it with me. I believe there should be no reason not to table it, but I will take the question as notice, just in case there might be something that I'm not aware of.

Canamax - input into

MR. H. ENNS: One further supplementary question, Madam Speaker. The Minister refers to Manitoba having put up \$5 million or committed to \$5 million for its 49

percent of the share and Canamax retaining 51 percent. What is Canamax putting up?

HON. V. SCHROEDER: I'll take the question as notice for a detailed response, but certainly Canamax has put in millions of dollars in exploration expenditures already, and has discovered a mine, an ore body, which happens to be, as the House has been told, the best undeveloped mine in the world that is known to this time. So that the \$5 million purchase price I think is quite reasonable, considering that the previous government was prepared, certainly, to get involved to a similar extent with a much less viable ore body.

MR. H. ENNS: Well, Madam Speaker, while the Minister is taking some questions as notice, would he confirm that the ore body that we are talking about, the one that Canamax and the Government of Manitoba are looking at, has had some eight drill holes tested in that area, which compares to the 32 to 34 done by the IMC Corporation some years ago in another ore body field, is that the extensive exploration work that the Minister is referring to that Canamax has undertaken? And precisely how many dollars — let's be specific — how many dollars has Canamax put into this potash development this far?

HON. V. SCHROEDER: Madam Speaker, I can assure the member that this particular ore body has all the makings of a better ore body than the other one. The other one is a good one. We are not suggesting that the other ore body has anything wrong with it and, hopefully, in time we will develop it. I will take the specifics as notice.

Madam Speaker, while I am on my feet, I did have some other questions which I had taken as notice, several from the Member for Portage some time ago dealing with the staffing and so on at Expo.

I would like to confirm to the member and to the House, that our exhibit at Expo is being staffed by two people who are permanent employees of the Department of Industry, Trade and Technology, or of another government department at a given time, but they are full-time civil servants. They are working a shift rotation of 4 days on and 2 days off, 12 hours per day, 7 days per week, for the full 6 months of Expo.

I might say the showcase is open from 10:00 a.m. to 10:00 p.m. and that's seven days a week. There are overlapping shifts. As I say, the officers were drawn from Industry, Trade and Technology and Business Development Branches and happen to be well-qualified to discuss industrial development with prospective investors.

Also, the member had asked whether there was any part-time staff hired. We did hire one STEP student who is a law student. She is in Vancouver for the full summer. She is paying her own accommodations. The other staff people are, as I indicated, being lodged at a hotel in — I believe it's Burnaby. The cost to maintain the officers in Vancouver, including food and lodging, will work out to about \$57 per officer per day, which I think is a reasonable amount, given that some of the other — you know, we were mentioning the other day that places like Alberta also had apartments, but they are on False Creek at \$2,000 a month plus living expenses.

So you can see that, in terms of our expenditures versus other expenditures, we are doing quite reasonably well. It's a modest expenditure for an exhibition which is working out quite well business-wise for the province.

Signing authorities - senior civil servants

MADAM SPEAKER: The Honourable Minister of Finance.

HON. E. KOSTYRA: Madam Speaker, I had taken a number of questions as notice on June 4, and I have responded to all except one from the Member for Pembina regarding signing authorities within the government and signing authorities as they relate to financial matters, contracts.

I can report that the system in place indicates that Deputy Ministers do have signing approval limits of \$25,000 for tendered contracts, that's up to a maximum of \$25,000; untendered contracts are up to a maximum of \$5,000; consulting contracts are up to a maximum of \$5,000 in total, and/or less than \$200 per day.

Citation Jet - criterion used for

MADAM SPEAKER: The Honourable Member for Minnedosa.

MR. D. BLAKE: Thank you, Madam Speaker. My question is to the Honourable Attorney-General.

I wonder if he could inform the House what criterion is used in requisitioning the government Citation Jet to ferry young offenders back and forth to court in the Northern areas.

MADAM SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: I will take that as notice, Madam Speaker.

MR. D. BLAKE: I wonder at the same time, Madam Speaker, if he would also report back to us on what consideration is given in arranging or rearranging the court dockets in order to provide for full utilization of the aircraft; in other words, if they are going up to there, to ensure that they have a full load.

HON. R. PENNER: I can assure the member, and the members of the House, that one of the criteria is the availability of scheduled flights. Where a scheduled flight is available, that is always taken in preference to using one of the government aircraft.

But with respect to the specific question about rescheduling where in fact that is possible in terms of rescheduling court bookings, I will take that as notice as well.

Falcon Lake Ski Hill - operation of

MADAM SPEAKER: The Honourable Member for La Verendrye.

MR. H. PANKRATZ: Thank you, Madam Speaker. My question is to the Minister of Natural Resources.

Due to the conflicting reports that we have in regard to the Falcon Lake Ski Hill, would the Minister be able to indicate to the House if this ski hill will be in operation in the 1986-87 season like it has been in the past years?

MADAM SPEAKER: The Honourable Minister of Labour.

HON. A. MACKLING: On behalf of the Minister, I will take that question as notice, Madam Speaker.

WMC Research Associates contract

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Thank you, Madam Speaker. My question is for the Minister responsible for Energy and Mines.

I have twice asked him to table the contract between the Manitoba Energy Authority and WMC Research Associates. He has agreed to do so but has not yet tabled it. I wonder if he is in a position to do so now.

MADAM SPEAKER: The Honourable Minister of Energy and Mines.

HON. V. SCHROEDER: No, Madam Speaker, I still don't have a copy of it; but when I do get it, I will certainly give him one.

Jobs Fund - expenditure input

MADAM SPEAKER: The Honourable Member for Morris.

MR. C. MANNES: Thank you, Madam Speaker. I address my question to the First Minister.

Madam Speaker, it's just been revealed that the Jobs Fund had a major expenditure in support of the development of the exploration of the potash mine.

The other day in committee, in Public Accounts, the Auditor of this province indicated that members of the Opposition, indeed all members of this House, should have a greater opportunity to pass judgment before the spending of capital associated with the Jobs Fund.

Will the First Minister make a commitment to this House that members of the House will have an opportunity to give input into any capital expenditures of the Jobs Fund?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, if I recall correctly, the Minister of Finance dealt with that question and I thought explained quite well the importance of ensuring that there be flexibility and the opportunity to utilize those funds in a way that would more effectively reduce unemployment in targeted areas.

That was the general basic nature of the Jobs Fund, and the very purpose of its original establishment, to respond with flexibility and with speed to given circumstances.

MR. C. MANNES: A supplementary, Madam Speaker.

Is the First Minister indicating that his government will take no action with respect to the recommendation made by the Auditor of this province that members of the House have a greater opportunity to give input into the amount of spending on the capital side of the Jobs Fund?

HON. H. PAWLEY: Madam Speaker, I will be quite pleased to review the recommendations of the Auditor as long as in so doing we do not compromise the effectiveness of the Jobs Fund which has demonstrated its success during the last several years in ensuring that the Province of Manitoba would enjoy amongst best rates of employment growth and levels of unemployment of any province in the country. Much of that is directly related to the Jobs Fund and the cooperation of Manitobans everywhere in their support of that fund.

Manitoba's employment growth

MADAM SPEAKER: The Honourable Member for Elmwood.

MR. J. MALOWAY: Thank you, Madam Speaker. My question is to the Minister of Employment Services.

Based on the labour force survey results released on Friday by Statistics Canada, can the Minister advise the House on Manitoba's employment growth in the past year?

MADAM SPEAKER: The Honourable Minister of Employment Services.

HON. L. EVANS: Thank you, Madam Speaker.

The figures we got last week from the Labour Force Survey were very encouraging, showing that there were 14,000 more jobs in Manitoba in May of this year compared to May of last year, which was an increase of 2.9 percent. I might add, this increase of 2.9 percent superseded the Canadian increase of 2.5 percent.

But more significantly, Madam Speaker, I would point out that this increase in employment of 2.9 percent is double the 10-year average that we have experienced in Manitoba of 1.4 percent between 1975 and 1985. We are in a very good position.

MADAM SPEAKER: The time for Oral Questions has expired.

HANSARD CORRECTION

MADAM SPEAKER: The Honourable Member for River Heights.

MRS. S. CARSTAIRS: Could I make a correction to Hansard please, Madam Speaker?

MADAM SPEAKER: Certainly.

MRS. S. CARSTAIRS: The question on day care, Friday, June 6, Page 647, the figure should read 1,325 and 1,280.

ORDERS OF THE DAY ORDER FOR RETURN NO. 6

MADAM SPEAKER: The Honourable Member for Gladstone.

MRS. C. OLESON: I have an Order for Return, Madam Speaker.

I move, seconded by the Member for Brandon West, that an Order of the House do issue for the return of the following information:

1. The number of applications in 1983 and 1984 for the Community Assets Program. For each application, state:
 - a) the name, description and location of the intended program;
 - b) the municipality or intended district;
 - c) the number of proposed jobs the project will create;
 - d) an acceptance or rejection by the Community Assets Program;
 - e) the name of the group, business or applicant who applied for the project.
2. List all the approved Community Assets Program projects for 1983 and 1984. Include the following information:
 - a) length of program;
 - b) total cost of program;
 - c) breakdown of funding showing provincial grants, federal grants and funds provided by the applicant;
 - d) the total number of jobs created by the project and those jobs directly funded by the Community Assets Program and other provincial programs.
3. The total cost of advertising spent on the Community Assets Program.
4. The total cost of publications produced for the Community Assets Program.
5. The total number of employees hired on contract or term employed to administer the Community Assets Program, their job descriptions and their salaries and expense accounts.
6. The number of regional offices, office locations and the following costs for the Community Assets Program:
 - a) to lease, rent or buy office space;
 - b) costs of decorating, refurbishing and furniture.
7. The cost to lease, rent or buy cars for the Community Assets Program.

MOTION presented.

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Yes, Madam Speaker, I've had a brief conversation with the Opposition House Leader previous to this Order for Return being moved, and I believe it's agreed that we will accept the Order for Return on the same basis that a similar Order for Return was accepted by the government on April 2, 1985, as outlined on Page 540 of the Hansard of that Session.

QUESTION put, MOTION carried.

ORDER FOR RETURN NO. 7

MADAM SPEAKER: The Honourable Member for Emerson.

MR. A. DRIEDGER: Thank you, Madam Speaker.

I move, seconded by the Member for Gladstone, that an Order of the House do issue for the return of the following information:

1. A copy of all correspondence between the Department of Natural Resources and owners/shareholders of the "experimental" elk ranch and game farm in the vicinity of Minitonas, Swan River Valley (per Mr. J. Eisner and Mr. L. Nelson) between January, 1983 and April, 1986.
2. The game farm/ranch animal records, including:
 - a) animals imported from the United States (source; date of import; number and disposition of; and import permit numbers);
 - b) animals imported from Ontario (source; date of import; number and disposition of; and import permit numbers);
 - c) animals exported to Saskatchewan (destination; date of export; number and disposition of; and export permit numbers);
 - d) export of animals out of Canada (destination; date of export; number and disposition of; and export permit numbers);
 - e) records and dates for all indigenous elk captured, or otherwise obtained from the wild with Ministerial consent.
3. The guidelines established for elk ranching in 1983 and all revisions to the said guidelines to April, 1986.
4. A compilation of all elk-related agricultural depredation and damage compensation claims in the Duck Mountain periphery, from 1981 to 1986.
5. A compilation of all game ranching applications received by the Department, and the present status of each.

MOTION presented.

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Yes again, Madam Speaker, I've had a brief conversation with the Opposition House Leader on this and we are pleased to accept the Order for Return on the basis that the correspondence which is requested in Item 1 will require a third-party consent because it is between government and outside parties. So if that's acceptable, we'll accept the Order for Return on that basis.

QUESTION put, MOTION carried.

COMMITTEE CHANGE

MADAM SPEAKER: The Honourable Member for Emerson.

MR. A. DRIEDGER: Thank you, Madam Speaker.

I have a committee change in Public Accounts: Johnston for Kovnats.

MADAM SPEAKER: So reported.

The Honourable Government House Leader.

HON. J. COWAN: Yes, Madam Speaker, I move that Madam Speaker do now leave the Chair, and the House resolve itself into a Committee of the Whole to continue consideration of Bill No. 13, seconded by the Minister without portfolio responsible for Native Affairs.

MOTION presented and carried and the House resolved itself into a Committee of the Whole to consider of the Supply to be granted to Her Majesty to consider Bill 13 with the Honourable Member for Burrows in the Chair.

COMMITTEE OF THE WHOLE

SUPPLY - CAPITAL SUPPLY

BILL 13 — THE LOAN ACT, 1986

MR. CHAIRMAN, C. Santos: The Committee will please come to order to continue consideration of Bill No. 13, The Loan Act, 1986.

The Honourable Minister of Finance.

HON. E. KOSTYRA: Thank you, Mr. Chairman.

As members will recall, we commenced discussion of this bill in committee at the end of last week — Friday last — and as a result of the limited time, it was agreed that I would hold back any explanation of all members to put some of their questions on the record so they could be replied. It was indicated at that time that we would allow them to get some of the questions on the record and provide the replies today.

Let me first say, in terms of the general approach with respect to the Loan Bill, members are aware that this is a reoccurring process whereby, once we're into the Session, particularly at this Session, where the start is later than traditional, that there is a need for some loan authority early on in the process, because traditionally the loan bill is one of the last bills that is passed by the Legislature.

Obviously there is no guarantee in terms of when that might be. It could be a month from now; it could be two months from now; it could be three or four months from now, depending on how long this current Session lasts.

It is a normal practice to have, in essence, an interim loan bill brought forward early in the Session to allow for the necessary authority that might be needed in the period between now and when the ultimate Loan Bill (2), which is the major loan bill, comes before the House.

I would also just point out that this bill and, as members are aware, the total loan requirements were put forward when the Budget was tabled on May 22nd, so members are aware of the longer list of Capital Authority requirements, but this bill only covers 12.5 percent of those authorities. So members are aware that we are only requesting what is needed in terms of the overall because we are only requesting 12.5 percent of that total authority.

In terms of coming to the point of the specifics that are in the bill, the Department of Finance did deal with all government departments and agencies that were bringing forth capital requests.

One other point, before I get into that, members will also be aware that a lot of agencies will have loan authority that has continued on from previous fiscal years that hasn't been utilized to date. So that loan authority still exists and can be utilized by those agencies.

When we did the review for this loan bill, Loan Bill, 1986, we assessed it on the basis of agencies that had exhausted previously voted Loan Act authority. So one of the criteria for those that were in need was to see whether or not agencies had existing authority. The second was those agencies that were required to enter into contractual arrangements or agreements or commitments. Thirdly, to allow the initiation of new programs that are urgently required to assist both the farm and business communities and there has been some reference with regard to that.

Dealing with the specific questions that were raised, I will give some brief explanations of those and then members may wish to ask more detailed questions of the Minister responsible.

In terms of the Manitoba Telephone System, as of March 31, 1986, MTS has utilized all of its Capital Authority that was authorized in previous Loan Acts, so there is one of the urgencies in terms of that agency.

Secondly, as was correctly pointed out by the Member for Pembina, their total requirements for capital will be \$149 million, of which \$83.4 million, or 56 percent, is to be generated internally. However, those funds are generated internally on the basis of the cash flow of the corporation, so those funds become available at various points and are spread throughout the year in terms of having that money available for the capital purposes.

There is a need for front-end commitment for the Manitoba Telephone System so that they can enter into long-term commitments with respect to their capital.

That is the reason why they are included in this Loan Act. This will allow them to take advantage of the favourable financing opportunities that will arise in this short term.

With respect to the Manitoba Agricultural Credit Corporation, of the total \$12.5 million, approximately 40 percent, or \$5 million is required for the new Farm Start Program to ensure that it is off and running early. The member, again, raised the question as to whether or not there was a need for loan authority when there wasn't actual loans but, as members opposite will be aware, even if there are loan guarantees made on behalf of or by the province, there is a need to encumber the loan authority against any loan guarantees that may be issued.

This authority, together with the general program authority of 7.5 percent has been requested to ensure that the overall authority is in place as early as possible to help the government and the Manitoba Agricultural Credit Corporation respond to the continuing serious situation in the agricultural sector.

With respect to the Manitoba Development Corporation, their capital is close to being exhausted, but particularly these authorities relate to items that are contained in the Memorandum of Agreement that

was reached between the Manitoba Development Corporation, on behalf of the Government of Manitoba, and den Oudsten Bus Works of Woerden, Netherlands, with respect to the divestiture of Flyer Industries to den Oudsten.

Members did receive a copy of the actual agreement as it was entered into at that time. On the date of the announcement of the agreement, I sent a copy of the agreement to, I believe, the Leader of the Opposition, or to the critic, I can't recall which. That agreement was made available.

The loan authority request for the Manitoba Development Corporation arises out of that need to enter into the agreement because the closing date for the divestiture to den Oudsten Bus Works of Holland is on July 15th. Of course, the specific agreement will be before the Economic Resource Committee of this House once it is called to meet to discuss that.

The loan authority is needed for purposes of entering into that agreement and will allow the Manitoba Development Corporation to fulfill the terms and conditions of that agreement, which relate to some actual loan commitment; but there are also loan guarantees that will have to be encumbered against the Capital Authority of the province.

The next area is the Beef Stabilization Fund. As members are aware, market prices are remaining below production costs, so there has been considerable pressure on that fund. Previously voted Capital Supply is, I think, just about exhausted so there is an urgent need to provide additional authority for the Beef Stabilization Fund.

In regard to the Small Business Loan Fund, again that relates to a newly-announced program that the Minister responded to earlier today in question period, which will allow the need for loan guarantees over a five-year period, of \$50 million, so 20 percent is being requested in this first loan bill. It is being requested so that the Minister can implement the program as early as possible to assist the small business community in the province.

Those are in response to the questions that were raised by the Member for Pembina at the last sitting of the committee.

MR. CHAIRMAN: The Member for Morris.

MR. C. MANNESS: Thank you, Mr. Chairman.

Let me firstly indicate, Mr. Chairman, that the Minister suggests in his opening statements that this is a recurring procedure, that the Capital Supply bill has been traditionally split between an interim bill and a final bill that we pass toward the end of the Session.

I have had somebody research it and I am led to believe that over the last five years, indeed it's only happened on two occasions — pardon me, the last four years. The two occasions are 1982 and 1984.

I don't believe that, indeed, this has become yet a recurring method of raising Capital Supply, although it appears that the NDP is bent upon making it become that.

Mr. Chairman, the Minister indicates he doesn't know how long this Session may last. Well, that's a fair statement and one, of course, we realize and we recognize the lateness at which this Session began, and how indeed it may last for a number of months.

Nevertheless, even though we are prepared to discuss Capital Supply, we honestly believe that it is incumbent upon us, as representatives of the taxpayer of this province, that we have a full explanation for the needs of every one of the dollars that is being asked to be spent.

Mr. Chairman, I am disappointed in the explanation given to me by the Minister of Finance. I really did believe that, over the weekend and particularly this morning, the Minister would tell us, specifically, the details and the criteria associated with three or four of the items that have been listed on Schedule A under Bill 13.

We have no difficulty in understanding the Manitoba Beef Stabilization Fund and the requests of \$16.6 million of spending authority or loans granted to that fund at this time. It's a program that has been in existence for some period of time. Quite obviously, with the fall in fat cattle prices, there is a requirement for funds under that program, although there will be specific questions that I know the Member for Virden would like to pose to the Minister of Agriculture dealing with a broader interpretation or a broader development of that whole program.

But, Mr. Chairman, when we're talking particularly about the Small Business Loan Fund and the Minister of Finance says that \$10 million has to be granted today so that this program can implement small business community commitments as quickly as possible, quite frankly, we need more than that. We want to know the criteria and the program. Even though the members say, well, they promised it in the election and they now are giving it to the small business community, we have to know more than that.

The Minister of Agriculture can throw all the nice smiles he wishes across the floor, but I can't help but remember just last week when we were in committee in Public Accounts and the Auditor, in a sense, chastised this government for not giving members opposite a proper opportunity to be able to discuss fully and debate some of the expenditures associated with the capital side of the Jobs Fund. Yet, here we have the same government asking us to give them authority to spend almost \$170 million, \$80 million of which we don't understand what the urgency associated with that request is.

So I was hoping, Mr. Chairman, that the Minister of Finance would give us the specific answers to the questions posed by the Member for Pembina on Friday. There has been a little further disclosure of some of the detail, but not nearly enough to satisfy us at this time, quite frankly.

The Minister says that the Interim Supply, Capital Supply Bill really only represents a 12.5 percent share of all the Capital Loan Authority requested in this Session. Mr. Chairman, I don't really care if it's only 2 percent or 3 percent. The fact is, we're not doing our job if we don't receive some clear indication from the government as to the purposes of the loans to the Crown agencies.

The Minister also says that in other years, the Capital Loan Authority did not always lapse and, therefore, there wasn't always the urgency from year to year but, in these cases, there is. Mr. Chairman, if we were to use as a rationale the Minister of Finance's argument that MTS wants to rush to the market today to take

advantage of low interest rates, and if the government accepts that type of logic, then quite frankly, we should be bringing in the whole request for borrowing, right today. The Minister of Finance should be laying on the table all the commitments for borrowing and every dollar should be borrowed today, if the Ministry of Finance deems today to be the most opportune time in the next ensuing period to borrow money.

So I don't understand the logic of how one Crown corporation, from their understanding of the financial marketplace that it's time to go out and do all their borrowing, and yet we have an additional — and I have it somewhere before me — well, obviously the additional 87 percent of loan authority not brought before us.

Well, Mr. Chairman, the Minister of Agriculture, I was wondering how long it would take for the comment to come, well, you must be against the farmers because you're not — I think he's trying to refer to the fact that we're not giving speedy passage to the bill. I mean, that would have to be the rationale for making that type of statement — (Interjection) — well, now here's the Minister of Agriculture again. You're either for it or you're against it. In other words, it's an omnibus bill. Take it all or we'll kill you on the one area that we think or that we know that you will support.

So, Mr. Chairman, it didn't take long. I was wondering in my own mind how long it would take before a member opposite would throw across the comment that we were trying to hold back some special part of it. It took exactly 10 minutes. I'm not surprised.

Mr. Chairman, I think, regardless of the fact that probably all of it is needed and required, until we do receive some of the rationale and some of the logic behind the programs, I'm afraid that we'll have to discuss this for some period of time. I don't care which of the Ministers opposite would like to give us a fuller explanation for the needs that they would have allocated specifically to their area, I would think it might be the proper time for the Minister of Agriculture to tell us specifically what the criteria are with respect to the Farm Start Program. Even though he says that it's sort of going to be included in Bill 22, I think members opposite would like to have a fuller explanation of what the program involves and what the criteria are for being accepted within that program.

MR. CHAIRMAN: General comments on the bill?
The Minister of Agriculture.

HON. B. URUSKI: We're in committee. I'm assuming that we can speak, Mr. Chairman.

The Honourable Member for Morris has been in the House for some time, most of his time in Opposition, but he knows very well that, as far as agriculture is concerned, the farming community wishes to have as many options open to them as possible in terms of refinancing and retirements and options, so that they can in fact leave agriculture and bring new people in with as low a debt load as possible.

The criteria, and I've said before, are being worked on now. We're looking at several options, and I will tell the honourable member, but we have not finalized those options specifically in terms of the program that he is speaking of. The options that we're looking at are, what type of concessions are required in terms of the

guaranteeing of the loan, and how far should those concessions be so that it is still meaningful for the vendor and it is meaningful for the purchaser. Quite frankly, that is part of the work that is going on.

But, Mr. Chairman, as long as I've been in this House, Capital Authority has been requested a number of times without the actual programmatic details having been put on the table. In fact, Ministers from time to time during the year and if the House is in Session will in fact make announcements to authority that has been granted in the past.

Now, what we're having put forward by members of the Conservative Party is to say we're not going to give you one inch of authority without knowing all the details. If that's their position, then that's fine. Let them put it on the record that we're not allowing any movements in any way without giving you any authority because that's precisely what the Member for Morris is really saying in this House, Mr. Chairman. That's what he is saying. He's saying we're not giving you any authority.

So let him say to the beef farmers of Manitoba, so you're running close to the limit. Tough, tough. If the marketplace is going down, tough. Tough it out, because that's precisely the kind of attitude and tone that the Conservative Party is taking. If he's taking it to clients who are borrowing from MACC, well, you haven't got the money, tough. But we'll give you the complete line that MACC is not doing a job. You're not processing loans; you're not handling loans. But we're not going to give you the authority until we're good and ready in terms of dealing with this question.

So, Mr. Chairman, I say to my honourable friend that the final criteria is not ready, and I have no apologies for that at all. In fact, part of the work that is going on — and I've given the member the statements in terms of the options we are looking at — as soon as the criteria will be ready, Bill 22 will be before the House very shortly, and so that this program can be moved as quickly as possible as a part of the total package.

MR. C. MANNES: Mr. Chairman, I'm sorry. I see where the Minister of Labour wanted to come to his feet, but I feel I have to rebut some of the comments just made by the Minister of Agriculture.

Mr. Chairman, I am not saying to the farmers of Manitoba, particularly those that are enrolled under the Beef Stabilization Fund, I'm not saying, tough, tough. The Minister of Agriculture knows, if he wants to really bog this whole committee down into a lot of rhetoric, all he's got to do is keep up that type of commentary and, believe me, he'll bog it down but good, Mr. Chairman. Like I said, we're not talking about the Beef Stabilization Fund. As a matter of fact, it was the first area that I addressed in my initial comments. I said there was no great problem associated with that. What I did say, Mr. Chairman, was I think it's only proper that members of the House, including yourself, including all members, have an opportunity to know what it is that we're granting authority for.

Now, the Minister talks about Bill 22. The Minister of Finance says the reason we're bringing Interim Supply and Capital Supply in is we don't know when the Session will end. It could be three or four months. Mr. Chairman, I don't know when Bill 22 is going to be brought forward for the Second Reading. You don't either. Well, the

Minister hasn't indicated when Bill 22 is going to be introduced for Second Reading. There is nothing within the rules that forces that bill to come forward for another three months. Yet he is telling us that Bill 22 — believe him — will be coming forward quickly.

Well, let's say Bill 22 does come forward next week or two weeks from now in its printed version. What guarantee, Mr. Chairman, do we have that there isn't a set of regulations that go with it, which we might not see for a year hence, that lays out your criteria? I've never seen a bill yet laid before us on Second Reading where all the criteria and all the program points are laid out. Yet the Minister of Agriculture is saying trust me. I will do all of that.

Well, quite frankly, Mr. Chairman, members on this side, whether we've been in government or, like myself, been in Opposition, we know when to trust the Minister of Agriculture. Frankly, the numbers of times out of 10 I don't think amount to one.

MR. H. ENNS: It's like chasing a gopher down its hole. He's always got two or three holes to pop out of.

MR. C. MANNESS: I hope Hansard picked that up, Mr. Chairman.

But the point is, we've asked some very legitimate questions and we will be pushing very hard for some legitimate answers to the questions surrounding Farm Start. For the Minister now to say, as if we were in the election, we're going to promise it; it's coming; take our word for it. We're past the election stage, Mr. Chairman. Let's get down to the facts.

HON. B. URUSKI: Give them the bill, Binx.

MR. C. MANNESS: Mr. Chairman, I hear the Minister of Agriculture indicating to the Clerk of the Assembly that the bill be given. I take it then, from that comment, we'll see the bill momentarily.

HON. B. URUSKI: Yes.

MR. C. MANNESS: Well, that's good to hear. Then I could ask him the question, I suppose, why didn't we see it today knowing, like the Minister did, there would be some very specific questions associated with many of the items under Bill No. 13?

Mr. Chairman, that was my only reason for rising at this time, was to react to the comments by the Minister of Finance that we're not going to be bullied into pushing this bill, because he believes that he can use the threat, that supposedly he can get the word out that we're telling the farmers of Manitoba to tough it out, that we don't care, Mr. Chairman. We're not to the bullying stage yet. We're not going to be pushed around, and we really still want some legitimate answers to these questions.

MR. CHAIRMAN: The Member for Lakeside.

MR. H. ENNS: Madam Speaker, the Loan Bill before us — (Interjection) — or, Mr. Chairman . . .

MR. CHAIRMAN: I'm going to wear my skirt if you . . .

MR. H. ENNS: My humble apologies to you, Mr. Chairman. The Loan Act before us calls for the request to borrow some \$940 million for the — oh, pardon me, that's Loan Bill 2. I'm sorry. No, Mr. Chairman, I'm ahead of myself. I'll wait till that Loan Bill 2 comes before us.

MR. CHAIRMAN: If there are no more general comments, the Chair will appreciate some guidance. Shall we consider this bill clause-by-clause or page-by-page?

The Minister of Labour.

HON. A. MACKLING: I just want to add a little bit of information to that given by my colleague, the Minister of Finance, in respect to some further detail in respect to what the capital requirements of the Telephone System encompass.

I think the answer that the Minister of Finance gave gives an understanding as to why, despite the internal generation of revenue, authority is requested now for the total sum of \$149 million. It's to provide the Telephone System with the ability to exercise that spending power throughout the year. As the Minister of Finance pointed out, the internally generated revenues don't come at once. They are based on the entire year's cash flow, so this is authority to provide the Telephones with the necessary funding, as required.

The funding requirement can be divided into two major categories. The majority of \$89 million or 60 percent of the planned capital spending is required to meet customers' demand for existing telecommunications services. Quite frankly, Mr. Chairman, the system is experiencing a very substantial growth demand, and I think that reflects favourably on the economy of the province, that there is a substantial demand for service.

The program is based on forecasts of growth, the movement of existing telecommunication equipment and the replacement of worn out or damaged telecommunications plant.

The other portion of the capital program, \$55.4 million, or 37 percent of plan spending, is required for programs associated with management decisions to provide new services, improve existing services, reduce operating expenses, replace obsolete equipment and upgrade existing equipment to current standards. This division of spending between service-driven projects and programs for expansion is approximately the same as in the previous year's program.

So, by way of a quick summary, it's to cover growth, modernization, new revenue business opportunities and competitive-position revenue protection, among other things, the need of this capital.

I could go through the capital programs in greater detail, if members wish, to show where the monies are being spent. As members know, during the course of the review of the Telephone System, the opportunity will be available to go into each of the phases that I have generalized on.

We are involved in replacement of now becoming obsolete switching equipment, and a very substantial program of investment in new plant — (Interjection) — Well, Harry, Mr. Chairperson, I didn't have any personal experience with that, probably the honourable

member has much more knowledge on this than I. But, in any event, if he has, he no longer can do his research because . . . In any event, Mr. Chairperson, the detail I can furnish, but it is replacement of equipment and expansion of services as I have indicated.

MR. CHAIRMAN: Thank you. The Member for Pembina.

MR. D. ORCHARD: Well, Mr. Chairman, you know, I appreciate the Minister's answer, but it still doesn't get to the nub of the issue of the urgency and why the entire amount is included now.

You see, Mr. Chairman — pardon?

A MEMBER: Cheap borrowing rates.

MR. D. ORCHARD: Cheap borrowing rates?

A MEMBER: You weren't here when he spoke.

MR. D. ORCHARD: I realize that I was not here when he gave the answer, but I am going to respond to the answer given by the Minister responsible for MTS.

Now he indicates that there is some \$89 million in capital expansion relating to servicing of customer demands for additional services or improved services such as, presumably, digital switching and that sort of replacement of older switching methods within the various telephone office installations throughout the province; but, Mr. Chairman, 65.6 million — which is I believe the number that is being requested today from Bill 13 — let's check my figures — Frank stole them again.

MR. F. JOHNSTON: No, I did not.

MR. D. ORCHARD: He gave it back, though — 65.6 million. It wasn't my honourable friend to my right that heisted it; it was my honourable friend to the left.

A MEMBER: Never trust a friend.

MR. D. ORCHARD: Never trust anybody on the left; that's the basic message that we've got here today, folks. Anybody on your left is — well, with some exceptions, anybody to your left is . . .

A MEMBER: Including your leader.

MR. D. ORCHARD: No, I said with some exceptions, you see, with some exceptions.

But, Mr. Chairman, 65.6 million is requested. There is a total budget of approximately \$149 million in capital expenditures this year. That means the Telephone System, on a rough calculation, is going to provide some \$83.5 million from internal funds to undertake that. What this Minister is saying is that they have to have all the money borrowed up front now or they can't undertake the capital projects. I don't think that that is a legitimate position to put forward.

Secondly, Mr. Chairman, the Minister would leave the impression that this money is going to be spent within the next two months. My experience with the Telephone System indicates that that is going to be an over the summer project, it's going to take all year to expend

that \$149 million, only a portion of it is going to be spent today, spent within the next couple of months until the funding could be naturally passed, or of normal circumstances passed, when we pass the regular Loans Act (2). So that the Minister hasn't answered the question, he has only added more confusion to the issue.

Now, simple questions to the Minister, and possibly he can answer them. What is the cash flow projections over the next three months on capital from the Manitoba Telephone System, and what are their internal sources of revenue of the \$83.4 million that they've got from internal sources of financing? How are they scheduled over the next three months?

Really, what we are talking about in terms of need for this capital bill is the difference, if there is any difference. The Minister said that he can provide further detail. No doubt he's got documents on his desk that he was reading from which, if he were to table today, we could peruse them. It would indicate where the MTS intends to spend that \$149 million; it will have dates for undertaking those projects so we can see, indeed, the time frame of the cash flow of that capital of \$149 million.

Now, Sir, until we get an idea from the Minister as to what the timing is, his justification is not there for requesting this urgent. And let me quote the Minister of Finance from Friday — "Capital Authority is needed immediately to provide additional funding for the Manitoba Telephone System." He goes on further to say, Mr. Chairman, that "due to the urgent nature of these requirements, it is important that this bill be approved as quickly as possible". There is nothing in what the Minister responsible for the Manitoba Telephone System has told us today which in any way comes close to justifying those two statements from the Minister of Finance I just quoted that he gave to the House on Friday of last week.

So, Mr. Chairman, can you allow the Minister to provide the cash flowing of capital expenditures over the next three months, the source of internal revenues that MTS has at their disposal from within the corporation; and, secondly, can the Minister provide to us a list of the capital projects that MTS wishes to undertake to expend this \$149 million; and, thirdly, does any of this \$149 million represent expenditures on projects initiated last year and not completed so that some of this is actually going to cash flow in the capital projects undertaken last year or the year before for which bills are coming in right now and need to be paid?

HON. A. MACKLING: Well, I regret that the honourable member didn't hear the Minister of Finance's explanation. I covered it very, very quickly, but I will repeat the information that the Minister of Finance gave and that may be of some assistance, and I will add to that again.

At March 31, 1986, the Telephone System had utilized its entire Capital Authority authorized in previous Loan Acts. The Telephone System Capital Program for '86-87 amounts to \$149 million, of which \$83.4 million, or 56 percent, is to be generated internally.

Since these internally generated funds are derived from the cash flow of MTS over the entire fiscal year,

there is a need for front-end commitment authority so that MTS may enter into long-term contracts. This authority will provide the ability to take advantage of favourable financing opportunities that may arise in the short term.

So I think the honourable member can appreciate the fact that, while the money is going to be generated internally, this is now — what, two-and-a-half months into the fiscal year — that \$88 million is not available. So that knowing that we are making capital commitments, we have to have the ability, the corporation has to have the ability, to enter into those contracts. So that is why the request for the authority.

If the honourable member, if he wants to know what the anticipated cash flow is in the three years, . . .

MR. D. ORCHARD: This year.

HON. A. MACKLING: . . . I don't have that information. I don't have that information, Mr. Chairperson, I certainly could undertake to get it for the honourable member, what the cash flow in a three-month period would be this year, but I don't have that type of information available.

I think that this is a routine request for spending authority. The details of the telephone operations come before the committee, the honourable member will be able to ask the chief executive officer detailed questions about every one of these spending items. This is a routine authority to allow the corporation to proceed with its spending.

MR. CHAIRMAN: The Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Chairman.

The Minister attempted to answer one of the three questions. Can he provide me with any details of where this 89 million to improve customer demands in the province is to be spent? Can he provide me with details of where the 55.4 million in what he described in part as new services are going to be spent in the province? What are those new services? Where do they apply? Do they apply in the City of Winnipeg? Do they apply in rural Manitoba? Do they bring in private lines to rural customers of the telephone system? What are these new services?

Mr. Chairman, the Minister answered, and I'm going to presume the answer; he'll correct me if I'm wrong. He indicates that MTS's Capital Authority was completely expended last year. Now, given that circumstance; given the second circumstance that he just put on the record this afternoon that roughly 7 million per month is generated internally from MTS revenues for capital expenditure; given that we're some two and a half months into the year, am I to assume that MTS has put a halt to their capital expenditure over the last two months and not even used the internally generated funds of some \$16 million, \$17 million that they have at their disposal, is the Minister saying right now that capital projects are not being undertaken because of this authorization of 65.6 million not being received?

MR. CHAIRMAN: The Honourable Minister of Labour.

HON. A. MACKLING: No, Mr. Chairman, the honourable member should not make those assumptions.

MR. D. ORCHARD: I'm sorry, I missed that answer.

HON. A. MACKLING: I just said no.

MR. D. ORCHARD: You said no, that you can't provide details on how you're going to spend \$149 million?

HON. A. MACKLING: The honourable member asked a couple of specific questions as to whether or not we should assume that the telephone system has not proceeded with any capital programs, and I answered no.

MR. D. ORCHARD: So then the capital program is ongoing. It is being expended, improvements are being made, without this act. Obviously they are doing it with funds that they have available, or, more importantly, Mr. Chairman, the cash flow on the \$149 million doesn't peak until six or seven months from now, details of which only the Minister can provide to this House and no one else.

Until we see that, Mr. Chairman, we are really shadowboxing with this government making this request for \$170 million on an urgent basis. So I simply ask the question then: Can the Minister table the \$89 million capital expenditures to improve, to meet customer demands, and can he table a list of projects which are going to expend some \$55.4 million under New Services? Can he table the documents that obviously he has which indicate the nature of those expenditures?

HON. A. MACKLING: Mr. Chairman, I have some notes. I will undertake to table a detailed list for the honourable member. I'm afraid that in the manner I have them now, they won't be as concise or as instructive as he might like. I will undertake to provide a concise summary of that spending and provide it for him, if that's what he needs.

However, I want to say again to the honourable member that what is being asked for is not anything unusual or unreasonable. The corporation has a funding requirement to provide for its over-the-year purchases. It's customary to get authority, formal authority, to embark on those undertakings. You can rest assured, Mr. Chairperson, that the corporation doesn't spend a penny until it has to spend a penny because it starts paying interest on it. But it has to have authority in place so that when it feels that it is in a position to enter into a bond issue or a lending requirement, that it will be enabled to do so. A favourable bond issue may become available. The corporation has to have authority before it can seek that kind of borrowing.

So it's nothing unusual, nothing out of the ordinary, and to suggest that we're doing something by this that is asking too much or unreasonable, I disagree with. I say, if the honourable member wants, I will endeavour to provide him with specifics now, but if he wants complete detail of all of this spending, and we're talking about a great maze of capital spending, and it's not easy to provide that in a quick summary form that will be acceptable to all members, I believe. But if he wants that kind of detail, I will undertake to provide a concise, if I can, one-page outline of that to the members, or, if he wishes, I will endeavour to pick out from my notes the bulk of the spending requirements.

MR. D. ORCHARD: Just a simple question to the Minister. Will his endeavours to provide the list of capital expenditures be completed, and will we have it before we're asked to pass The Loan Act, 1986?

HON. A. MACKLING: Mr. Chairman, the honourable member is apprehensive about spending. I don't question his right to want to examine in detail spending requirements of the Crown corporation. But, as I indicated earlier, we have yet as a corporation, to appear before the committee. He will have that opportunity to question line-by-line, item-by-item, every area of expenditure . . .

MR. D. ORCHARD: But that's after the fact. If you've got it, why don't you give it to us?

HON. A. MACKLING: The honourable member insists that what we're doing is unreasonable. I'm saying that I will endeavour to give him chapter and verse of every expenditure, but the problem is that I have general areas, and then he may say, well, what are the details in that program? If there's a particular area of concern, then I'll take it as notice and get the telephone corporation to give me fuller detail in respect to that capital program, that area. But, otherwise, I just give the global amounts, and I don't know whether that's satisfactory to him.

MR. D. ORCHARD: Of course, it isn't satisfactory. That's why I'm asking you.

Mr. Chairman, maybe a question to the Minister of Finance. Would the Minister of Finance consider it reasonable that the information, as indicated, is available and will be provided to myself and members on this side of the House of the capital expenditures of the Manitoba Telephone System? Will those be available to us before you insist on passage of The Loans Act, 1986 or are we going to have the act pushed through by your majority, and then, after the fact, at some point in time in the future, you may provide us with what the capital details are? It's a very simple question. Can you give us that information before you demand passage and try to force this act through?

MR. CHAIRMAN: The Minister of Finance.

HON. E. KOSTYRA: Thank you, Mr. Chairman.

The Minister has indicated that he will provide that information as quickly as possible. I want to respond to the member's general comments about the urgent need of this bill. As indicated in my previous comments, we reviewed all of the Capital Authority requests, which were tabled, as the member knows, in the Budget, the long list of Capital Loan Authority for the province, and ascertain from each of the departments which ones were needed because the authority that was previously granted has expired. As the member knows, that authority continues and in some cases it's enough to take the corporations or the agencies well into a new year, in some cases right past the midpoint. As will be the case this year if the comments of the Member for Morris are accurate, in terms of the length of the Session.

The second point is the fact that some corporations need that authority in order to enter into agreements

and I made that reference to the Manitoba Development Corporation in the divestiture of Flyer Industries.

I think the other point that bears comment on is that this is usual practice with respect to the loan authority. We're requesting 13.5 percent of the overall authority, recognizing that we're well into the new fiscal year, recognizing that — well, according to anyone — we don't know when this Session will conclude. The Member for Morris suggested on Friday that it may not end until — "Who knows for sure," he says — maybe until September, October, November. You would be the first one to chastise this government if we didn't make the necessary arrangements for the orderly affairs of government to ensure that the capital corporations had the necessary authority in order to carry out their affairs and that's why we specifically asked them which ones would need authority early in the year, as against the full authority that will be requested once the Loan Bill is passed at the end of the Session and that is the traditional way that the overall Loan Bill has been dealt with — at the end of the Session. — (Interjection) — Yes, the Loan Bill has always been dealt with at the end of the Session.

MR. D. ORCHARD: Will we get that information before we pass this first bill?

HON. E. KOSTYRA: The question is whether or not you want to provide for the orderly management of the affairs of the province with respect to the areas that need loan authority and we're responding to your questions in terms of urgency. Now, not every one of them needs it tomorrow or today or the day after, but all of them are ones that we needed before the normal course of events, if we were dealing with The Loan Act at the end of the Session; and again, we all agree we don't know when that's going to be. Traditionally, if we started in the earlier part of the year, it would be the end of June, into July, but this Session is going to be well into the summer months. As the Member for Morris suggested, it may well even be into the winter months. You'd be the first one to chastise to say that we didn't make proper plans when we brought forward The Loan Act (1) in the first place. If we had to come back later in the year, and say, well, we've now got problems, you'd be the first to say, well, why didn't you organize yourself better, and that's precisely what we're doing.

Again in terms of specific areas, the Minister said he will get that information as quickly as possible. We're at a sitting now. I guess we'll be sitting later tonight dealing with this and tomorrow, so I presume he'll have it as soon as he has it available.

MR. G. MERCIER: Thank you, Mr. Chairman. A question to the Minister of Agriculture.

Could the Minister of Agriculture indicate what the turnaround time is for approval of mortgage loan applications to MACC?

HON. B. URUSKI: Mr. Chairman, I can't be precise in terms of the turnaround time and it would depend on many individual circumstances. There are times — and we've had this situation occur — that, for example, loans made or applications for mortgage turnaround time made during the winter months, there will be a

much slower turnaround time because we are unable to evaluate the land, for example, to make the appraisals to make certain that the value of the land is in fact there in terms of the loan application.

There is, I believe, from time to time a bit of a — and I'm glad the honourable member raised this question — misunderstanding in the farm community about the application form of MACC as it relates to other lending institutions and it relates to the information and the clarity of the information that is supplied by the loan applicant. Every time there is a change or some information is not total in the application form, a new application form has to be provided because of the regulations and the rules of the Provincial Auditor and absolute clarity. That sometimes does slow up and people wonder, well, why am I put to the point of filing and making another application form. Normally speaking, in terms of the turnaround time, it would take, I would say — and I'm speaking from memory — about two to three weeks from the date the application would be filed with the staff person in the field, by the time all the checks would be made with the Land Titles Office, all the necessary arrangements would be made, it would take that period of time and then, depending on the backlog, there should be in a normal application period, I believe somewhere between 60 and 90 days by the time one would begin and one would end. But that's not in every case. For example, this spring, we had a backlog of applications of over 100 applications to the corporation, so that time frame would have been set back.

So when the honourable member says, what is the normal time frame; he, no doubt, can get up and say, well, I've got a client here that's been waiting for 120 days. How come his application wasn't approved? The only way one would be able to give a precise answer is to have the member provide a case and say, here's someone who's been waiting a long time. What is the reasoning in this case? But normally I would say between 90 and 100 days would be about normal.

MR. G. MERCIER: Mr. Chairman, I wonder if perhaps not to conclude it now, but the Minister could take it as notice and deal with it in the Agricultural Estimates because I think that item is quickly approaching. But I wonder if he would examine this in perhaps a little more detail with MACC and perhaps, as one example, and I've heard a number of claims, but there's one example and I can give him the name privately. In the Morris office an application was filed in February and has not yet been approved.

HON. B. URUSKI: Mr. Chairman, I would say that anyone who would have filed an application in February and would not have been dealt with — it may not be approved and not have been dealt with. There would be either some complete differences of opinion in terms of the corporation in giving the individual, or else there would be a major backlog in terms of the number of applications coming out of that field office. But the member will give me the name and we'll check it out. I'd be pleased to check it out.

MR. CHAIRMAN: The Member for Portage la Prairie.

MR. E. CONNERY: Thank you, Mr. Chairman.

I can imagine going home tonight or tomorrow and telling my constituents that we gave authorization to spend \$169.7 million and they would say, "What for?" Well, we don't know what for, they just wanted it and they don't want to tell us. You know, it's incredulous to me that this is how government runs and maybe it is, maybe at how it's been going, but it indicates to me that some of the reasons that we're in trouble is the way that this one is going.

There's no way that you can just put in a request for money — and I'm sure the Minister of Agriculture doesn't go to his bank, and say, "Mr. Banker, I want to borrow \$100,000," and the banker says, "Well, what are you going to spend it on?" And he says, "Well, I'll tell you next week, after you've approved the loan, I'll tell you." Well, there's no way that anybody deals in those sort of facts. If you haven't got working papers to show why you need these specific amounts, then you're just pulling numbers out of the air.

Now, if you're pulling numbers out of the air, this should not be passed. If you have the working papers that show why you need this specific amount of money, then table those papers so we can peruse them and take a look, and if it's justified, to do it. I sure hope he's gone now, the Minister of Labour, and I guess for the MTS, I hope some of that new money is going to be spent in Portage la Prairie, because we sure have some pretty poor equipment there.

The need for — and I'd asked the Minister for Business Development and Tourism, I asked the question in the question period — you have — (Interjection) — Not for the onion washer. You might like to know that we've shut that plant down, maybe you found that out. I wouldn't laugh when we've lost jobs. You see, this is the tragedy of the Minister. The Minister of Agriculture, who laughs when a business is closed down because it couldn't make money, and there are 45 to 50 summer jobs, student jobs that were available and the Minister thinks it's a joke. Now, I really resent a Minister of Agriculture who laughs when jobs are lost, and this is an insult to this House.

MR. CHAIRMAN: The Minister of Agriculture.

HON. B. URUSKI: Mr. Chairman, the point of privilege that I raise is the honourable member . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. CHAIRMAN: Order please.

HON. B. URUSKI: How do you know what I'm going to say until I've said it?

Mr. Chairman, I asked the Honourable Member for Portage to withdraw that inference. Mr. Chairman, the honourable member talked about old equipment in the Portage area and the amount of money that is — (Interjection) — Mr. Chairman, and he talked about needing to replace old equipment. Let the Honourable Member for Portage answer his own remarks.

When he talked about old equipment and talked about government assistance for old equipment, I quipped — and I did quip — with the amount of assistance that the province gave his own firm in terms of the development of the onion washer, in terms of

Monday, 9 June, 1986

the development of the business. That is on the record in terms of the amount of help that we assist agriculture, Mr. Chairman.

MR. CHAIRMAN: There is no point of privilege.

MR. E. CONNERY: Mr. Chairman, it is tragic when we see this sort of behaviour in the House, and I really hope that there isn't a glee when business is closed and jobs are lost.

But to deal with the Small Business Loan Fund, we have a figure of \$10 million that is asked for, and it says: "Capital authority is needed immediately to provide additional funding and the Small Business Loans Fund is part of that funding."

When the question was asked, what are the criteria, they haven't even started to develop the criteria. Now, if they're going to have a decent program in place where there is going to be some benefit to the business community, it is going to take some time. They're going to go out and consult with business. This is going to take some weeks. So by the time the program is ready, we're going to have some months down the road.

Then once it is ready, before applications can be processed and loans approved, it is going to be somewhere six months or eight months before, long after this House had adjourned. So the reason for asking for \$10 million is absolutely ludicrous. I can't believe that a government would go ahead with plans to spend \$169.7 million, and not have paper work, working papers to show that this money is justified and is needed.

What is the reason for creating the Loans Fund in the first place? It must be to stimulate business, which is then going to create jobs. But, Mr. Chairman, the track record of this government has been very, very weak in the private investment sector. When we look at the comparisons from 1981 to 1985, if we take out additional housing, additional over 1981, private investment in Manitoba has declined, not increased.

What does the Minister think that \$10 million in loan capital is going to do for the private investment sector? If they gave it away, it would only be .5 percent of the annual private investment portfolio and, if it's in the form of interest given away, it's about half of one-tenth of 1 percent — it is insignificant in terms.

What I believe, Mr. Chairman, is that the government wanted something to put in the Budget that would indicate that this government is concerned about the private investment group. To my mind, they are devoid of any interest, they're devoid of any expertise in how to stimulate small business and to get them going in Manitoba. Ten million dollars is not what business needs right now, Mr. Chairperson. Right now, they need a climate, a climate to be wanted, to make business want to be in Manitoba.

We see that the Conference Board forecast is very dismal for our gross here in Manitoba. When we look at what the Canadian Federation of Independent Business says, this is one of the worst provinces for the private business climate. So naturally, we can see why the public sector has to go up by some 50 percent — (Interjection) — that's right. They are going to put all this province back together with \$10 simple million.

If you would have removed some of the 1.5 percent payroll tax off another sector of the small business so

that more would be exempt; if you would have eliminated some of the labour legislation that makes people turn away from this province, because who would want to come — I made the scenario in my Budget Speech, and I thought I made it simple enough for the members opposite to understand what I was trying to get at.

We look at Tan Jay. Let's take a look at Tan Jay when we're talking about business development. Tan Jay cut out 400-500 jobs here in the City of Winnipeg. They have gone to Thunder Bay. Now what is \$10 million going to do? How many jobs are you going to create with that? All you had to do was have the business climate, but members opposite can't understand — (Interjection) — we would, would we? Well, you'd make a good seamstress, I'm sure. Maybe that would be the rise to your level of incompetence and mingle back to being a seamstress.

Mr. Chairman, I will cease my comments at this point, but I would ask the Minister to give us some more detail on what they are thinking about in the \$10 million in the Small Business Loans Fund. I would like some of her thoughts as to what areas they're pursuing, what sectors of the private investment that they feel they can stimulate with this \$10 million. Would she please give us some detail?

MR. CHAIRMAN: The Honourable Minister of Business Development and Tourism.

HON. M. HEMPHILL: Thank you, Mr. Chairman.

I'm sure when the Member for Portage la Prairie goes home tonight to tell his wife what he did in the Chamber today, she's going to be very pleased to find out that some of the money we're asking authority to spend is going to go to small business, and that we are demonstrating an interest in supporting, encouraging, promoting and creating a good climate for small business.

Now, he hasn't said he doesn't think we should be doing that. I did get the impression that he thought we maybe should be putting in more money, although it's always difficult for us to know what it is they want us to do because, on the one hand, they're saying stop spending so much to keep the deficit down, and then every time they talk about a specific program, it's put more money in.

But we have to remember that this is late in the day, and we all know that. There are a number of things that have caused a delay in the normal process for developing programs. It is the election and it is the time that it took, the delays that were caused for completing the normal Estimates process, and it was some changes in Ministers and in portfolios that have required new Ministers to take a look at the new programs that are coming in — and the members across the way will understand this — and need a reasonable amount of time to review the programs and the level that they're at and the development that they're at.

So we know that we're late. However, when this gets going, it's possible that it will get going very quickly. I didn't say we didn't have any thoughts on it or that we didn't have any ideas about what we wanted to do, but that we didn't want to go public with them, I suppose

is a good way of putting it, without talking to the business community first. I think that there is a very good possibility that they will give us ideas and feedback that will make the use of this \$10 million, whatever the amount is, the best use that we can get out of it. Now the one thing that we should all want is that whatever amount of money is being spent, is being spent to best advantage to stimulate the small business community, and we want to do that. I think we need their feedback and their ideas before we come up with any final criteria and programs.

I hate to call people in for consultation, Mr. Chairman, and have a predetermined program that says, well, we want to bring you in and talk about it but, listen, the program is set. I've announced it in the House. We know exactly what we're going to do. No, we haven't got it all set, and we will not have it all set until we talk to them and get some of their ideas and some of their suggestions. It may be that they come up with something that we haven't even given consideration to at all.

So I want them to know that the consultation is a real consultation; that the program is not predetermined; that they can give us suggestions and ideas for implementation, and we will look at it. However, once we've done that, it's possible — and the Minister of Finance was referring to the fact that we may not need the money today for this program and we may not need it tomorrow and we may not need it next week. But the reality is that we are already late in the year for programs that are going to be implemented this year; we are already late. So when the program gets going, it should get going very quickly and the take-up could be very fast.

We don't want to delay; the one thing we don't want to do is delay good programs like this that I think the members opposite will and should support, although I expect them to have questions about how it is being handled and the criteria. I am willing to share all of that with them as soon as we have got it finalized.

We don't want to delay one month or two months, or have people that would benefit, people that could use the help, that it would make a difference to their expansion or their setting up a small business, or an increased employment and increased support for the business community. We don't want to delay it for one or two months because we didn't have the authority to proceed with the program when we were ready to go.

I suppose, just to end, Mr. Chairman, I would just say to the member opposite that certainly the questions he is asking are ones that I intend to answer, and that I should answer, and am prepared to give him all the information on it and also prepared to receive suggestions and ideas from the member or other people about what the best use of the program could be.

I ask them to recognize that one of the things we are trying to do is build on the climate that exists, and I think it is a good climate. I don't agree with the member opposite that it is not a good climate. I will tell you why I — not just because of what I believe we have been trying to do, to have a stable economy in this province, one of the most stable economies in the whole country — if you don't think that creates one of the best climates for business at any size, it does, to have a stable economy. We have done that. We have that in Manitoba, one of the most stable economies.

It is the activity that is out there itself that speaks more than words, or more than my words do. The reality is that we have more business starts and more activity in Manitoba than almost any other province, and that's the truth. Our percentage increase in business starts in Manitoba is greater than any other province in the country. That is because we are doing things that are encouraging and supporting businesses and that, most of all, are creating the climate. Not increasing taxes, personal income taxes, not increasing sales tax, businesses know that those things help them, that doing that not only helped the individual in terms of what they had to pay out of their pocket, but stimulated the economy and helped them. That is one of the reasons that that was done, so that they know, and that is demonstrated by the amount of activity and the amount of starts that we have in this province.

I just ask the member to make his point about the criteria in the program, or what he might like to see the program do, but not question \$10 million for a program that we wish was more. All of us in every department wish we had more money for every program.

We have pledged \$50 million; it's not a \$10 million program, it's a \$50 million program with \$10 million coming in the first year. Because it is late and we know the take-up is going to be late and the take-up is going to be slower, we think that is realistic and it's possible that in the second year and the third year, that it will move ahead much more quickly.

I hope they will support the attention and support the program and recognize that we are still developing the criteria but we may want to move very quickly on the program prior to our being able to do it if we don't get the money through this loan authority.

MR. CHAIRMAN: The Member for Sturgeon Creek.

MR. F. JOHNSTON: Thank you, Mr. Chairman. Well, the one thing we heard from the Minister is an admission that she doesn't have any criteria and she doesn't have a program. We have heard that before in the House in the question period and that is fairly obvious.

The Minister of Finance is concerned about the fact that we would be critical later on if we didn't have anything to say about this, or if we told him later on that you hadn't organized your business.

Mr. Chairman, we were told after the election, and when we moved into this House, we were \$58 million more in debt than we thought we were. Maybe that is the reason why we have to do some questioning about the programs within this House at the present time. We were told that after the election. During the election, we had a First Minister running around saying, here, I've got \$10 million for small business; I'm going to have a Small Business Loan Program. Then when the election is over, he doesn't have any idea of what the program is; he didn't know what it was then and, you know, two months or three months after the election is over, he still doesn't know.

As a matter of fact, most of the people in the department were surprised by the program. The departmental people have been running around saying, which one of the directors is going to handle this? They have also been having a little battle between one

another of which group of the department is going to handle it and nobody seems to know. So the Minister decided to settle all this and slow it down so they will know where they are going in the department that will go and talk to the business people of the Province of Manitoba.

The businesspeople of the Province of Manitoba are fully aware that there is absolutely no need for another loan program within this province. This isn't the program where we had the situation of Enterprise Manitoba, which was a federal/provincial funded program and they worked it out between the Federal and the Provincial Governments. There was literature put forward. There were reams of agreement signed by both governments. The tourism program was the same way, the old one and the new one. But no, what do we have? We have a program that nobody knows anything about, that the First Minister happened to pull out of the air during an election campaign, which completely surprised the department and now they are fumbling to know what to do with it.

This is a \$50 million program with \$10 million that you are asking for this year. What will happen for the whole \$50 million is what will happen with this \$10 million.

We had a situation where we had the Interest Rate Relief Program. We asked for the names of the people in the Interest Rate Relief Program. The Order for Return was accepted and made up, but not given to us.

Now we find that there are people who went into bankruptcy at the end of that program. We are asking for that information.

We don't get this information when we find out that the programs didn't work as well as you thought they would. So why shouldn't we ask some questions right now of a Minister who does not know what she is doing as far as a program is concerned, except to say to my colleague here, when you go home tonight, you'll be able to tell your wife you passed some money to help small business. I would like to tell my wife what we are doing in that program to help small business, because she would ask that question.

Mr. Chairman, let's not be silly about this. Let's not have everybody get up and say it's routine, because it wasn't routine — and I must say it wasn't this Minister of Finance — it wasn't routine when we got faced with \$58 million more than we expected we were going to spend last year.

We have a right to answers to questions. We have a right to ask those questions on behalf of our constituents and for the Minister of Agriculture and other Ministers to sit there and think that it is wrong or we shouldn't, is absolutely ludicrous. We have got to ask the questions.

I would like to ask the Minister of Finance, is the whole \$65 million you referred to in the Manitoba Development Corporation going to be used in Flyer? You indicated it is there for Flyer guarantees, but could you just maybe elaborate on that? I got from your answer earlier that the whole \$65 million was for Flyer.

HON. E. KOSTYRA: I will provide the details. I'll just walk the member through the present situation with respect to the Manitoba Development Corporation.

They will be able to generate \$1.5 million from their internal funds. There is a cash requirement for 1986-

87 of \$53.5 million. There will also be a carry-over of approximately \$30 million of authority beyond this year. That relates — and I'll get back to that in a moment — to the divestiture agreement which will be closing on July 15. That is related to the guarantees that will have to be issued against the loan authority, even though those guarantees will be insured so that there is no actual liability, but it will have to show in the books.

That would bring the total supply of 30 required to \$83.5 million, of which 18.8, approximately, is carried forward from March 31, 1986. So the incremental need is \$65 million. That relates to the disposition of Flyer Industries, which would be \$42 million, and that is the payoff regarding the Bank of Montreal loan which the province has supported, the current year guarantee for Flyer at \$8 million, and \$5 million related to other commitments. Then there is the additional \$15 million which is related to the bonding guarantees for the next two years, which are the ones that I referred to in that 30 which will be insured but still have to show on the books of the province as a guarantee even though no actual money will flow, but we are guaranteeing the bonding . . .

MR. F. JOHNSTON: Yes, okay, thank you.

MR. CHAIRMAN: The Member for Portage.

MR. E. CONNERY: The Minister — I wish we could confer with the Minister — indicated that we are in a stable economy. I don't like the level of the stable economy that Manitoba is in right at this time. I would prefer — when you're a have-not province and receiving transfer payments, it indicates that our economy is not a thriving economy that I would be proud of. But if she says she doesn't know what the business community wants, she hasn't listened to the Canadian Federation of Independent Business who has told her many times, the Chambers of Commerce, Manitoba and Winnipeg, have told the government many times what business needs.

I don't think it needs \$10 million. I'm sure, and it's my personal feeling, that we would do an awful lot more if we put the \$10 million into road construction. Those people who are building roads are business, and if we would have better roads, we'd create the jobs that we're looking for because I don't think \$10 million is going to do anything for the private sector in Manitoba. Unless you improve the climate to the business sector, all the money in the world isn't going to buy your way out of the mess we've got it in now.

MR. CHAIRMAN: The Member for Virden.

MR. G. FINDLAY: Thank you, Mr. Chairman. I would like to just address a few comments about the criteria that still has to be forthcoming on the Farm Start Program.

In response to the Member for Morris' discussion earlier today, we had distributed here a bill, An Act to amend The Agricultural Credit Corporation Act. This bill appears to me, as a layman, just to be a legal mechanism under The Agricultural Credit Corporation Act to do whatever they want to do, but we still don't know what the intent is, nor what the criteria are or

who it's directed to. I think before we can be expected to authorize the expenditure of this money on behalf of the farmers of Manitoba, we need to know whether it's directed in the right direction, the wrong direction, or whether we should just take this opportunity to have some input as to what direction it should be going.

The Minister of Agriculture commented before, we're either for or against. We're for anything that's good, we're against anything that's bad, and until we know what the criteria are and where it's directed, we can't make the decision as to whether we're for or against.

I guess what I really want to know, and hopefully he can address some comments to that now, is what is the intent of the bill he just distributed. What is the intent of Farm Start and who is it going to help?

HON. B. URUSKI: Mr. Chairman, without breaking protocol of this House, the honourable member will know the intent when I bring it up for Second Reading. He can read as well as anyone in this House as to the intent of the bill. There is one clause in there that deals precisely with what we have been speaking about and what commitments this party made in the election campaign.

Mr. Chairman, today is a very good day for members of the Opposition. If they have some ideas and thoughts on how they wanted some input, obviously, this exercise is a good time for input for them as to how Farm Start might work. If they don't like what I told them up to this point, I, obviously, am not going to convince them on what we've put forward in the election campaign. They obviously ran on a different platform.

So, Mr. Chairman, they want input and they want to say I am for good and I am against evil. Well, Mr. Chairman, let them tell me whether they are against the evils of the section and the Farm Start Program if the program is evil. If they want some input, obviously, they may have some suggestions. We, and I, as Minister — maybe the Member for Virden isn't well aware — but I have taken many suggestions from members of the Conservative Party, some of which I have to tell you I have not taken as seriously as maybe some of them would have liked, but there have been some that I have used. I have always been one Minister who has valued the opinions and suggestions made from members in this House.

If the Member for Virden, the Agriculture critic, has some ideas and positive points on the Farm Start Program as he would like to see it, Mr. Chairman, as I've said and put on the record, and I will be very pleased to consider it.

MR. G. FINDLAY: Could I ask the Minister what the definition of individual lender is?

HON. B. URUSKI: The member knows the protocol of this House that I will not go into the details of the bill until it's been put forward for Second Reading.

MR. CHAIRMAN: The Member for Fort Garry.

MR. C. BIRT: Mr. Chairman, would the Minister of Agriculture like to tell me, as a Member for Fort Garry who has a fair number of farm manufacturing industries located in my constituency, what exactly Farm Start is intended to do?

HON. B. URUSKI: Mr. Chairman, the Honourable Member for Fort Garry, he should read the comments that I made earlier to the Member for Morris what the original intent of the program will be. In fact, when I bring the bill forward for Second Reading, I will give him the intent of the Farm Start Program.

I am sure that when he was campaigning, he would have read some of the New Democratic Party literature. Maybe our candidate in Fort Garry would not have in fact had it there but, Mr. Chairman, the honourable member knows the general, if he is not aware, comments I have already put on the record should give him some idea of what the program is about.

MR. C. BIRT: Mr. Chairman, the Minister of Agriculture has asked for ideas and input from this side of the House. I would dearly love to give input and ideas to the other side of the House, but we have to know what ideas they are producing and coming forward with, whether or not they should be improved upon.

I would like the Minister to repeat to the House: what is the criteria for which you want the money for Farm Start?

HON. B. URUSKI: Mr. Chairman, I gave that information to the Member for Morris. Basically, the program that we are intending to provide for the farm community is another financing option to the farm community, an option whereby a vendor can have his mortgage guaranteed by the corporation in private mortgage dealings, Mr. Chairman.

MR. CHAIRMAN: The hour being 4:30 p.m., it's time for Private Members' Hour. I am interrupting the proceedings of the committee and the committee will return at 8:00 p.m.

IN SESSION

PRIVATE MEMBERS' HOUR

MADAM SPEAKER: Private members' business, the Honourable Member for Charleswood.

MR. J. ERNST: Madam Speaker, it's moved by myself, and seconded by the Member for River East,

WHEREAS the Court of Queen's Bench, by judgment of Mr. Justice Guy Kroft on October 24, 1985, ordered that all property in the City of Winnipeg be reassessed by December 31, 1986; and

WHEREAS the Court also ordered that these assessment valuations be entered on the assessment rolls for the city for 1987; and

WHEREAS assessment data completed to date has made it clear that the mandatory reassessment will result in the vast majority of homeowners and farmers experiencing assessment/realty tax increases; and

WHEREAS these assessment/realty tax increases for homeowners are anticipated to average some 20 percent, and range as high as 50 percent in some areas; and

WHEREAS these assessment/realty tax increases for farms are anticipated to average some 440 percent within the boundaries of the City of Winnipeg; and

WHEREAS assessment data completed to date has made it clear that the mandatory reassessment will see

Monday, 9 June, 1986

large and significant shifts in assessment and resulting taxation from commercial and industrial property to residential property; and

WHEREAS the Manitoba Assessment Review Committee's report recognized that these shifts in assessment would take place; and

WHEREAS the Legislature of the Province of Manitoba passed an Act to amend The Municipal Assessment Act (Bill 105), assented to August 18, 1983, which purported to provide legislation to buffer the impact of reassessment; and

WHEREAS the previous NDP Government refused to proclaim Section 2 of that Act whereunder the operative portions of the legislation creating that buffer were contained; and

WHEREAS homeowners and farmers within the city limits should be protected from inordinate increases and assessment/realty taxes.

THEREFORE BE IT RESOLVED that this Assembly request the Government of Manitoba to:

1. Proclaim Section 2 of Bill 105 as hereinbefore described;
2. Pass the necessary regulations specifying the percentages of value which may differ from class to class, at which each class of property will be assessed for the tax year 1987;
3. Pass the necessary regulations defining the classes of property on the basis of the types and uses of land or buildings or both;
4. Monitor the reassessment process as it takes place through to December 31, 1986; and
5. Undertake a close liaison on this subject with the City of Winnipeg and consider additional legislation to ensure that homeowners and farmers are not unduly burdened with inordinate realty taxes.

MOTION presented.

MADAM SPEAKER: The Honourable Member for Charleswood.

MR. J. ERNST: Thank you, Madam Speaker.

The whole question of reassessment is looming as a crisis on the horizon for the City of Winnipeg for 1987. Mr. Justice Kroft, in late '85, ordered the City of Winnipeg to reassess all of the property in the city and to place it on the rolls for the tax year 1987.

The shifts in value from industrial commercial property to residential property, based on the 1975 level of value has not changed. It is still the same shift that was anticipated three years ago, two years ago and last year. However, nothing has happened in terms of the legislation that would provide a buffer, provide some kind of a cushion, provide a measure of comfort, if you will, to the taxpayers of Winnipeg and the homeowners of Winnipeg.

Madam Speaker, the question of reassessment is somewhat checkered, and perhaps everybody isn't fully aware of how the assessment took place over the past 15 or 20 years. I want to just briefly run through that history so that everybody is fully aware and up to speed in that regard.

Prior to 1961, in the formation of the Metropolitan Corporation of Greater Winnipeg, assessment was the

responsibility of individual municipalities, either the city did it or the province did it on behalf of the various municipalities and so on, but they each individually were responsible for their own assessment. With the establishment of Metro in 1961, that assessment process came together in a unified process for the whole of Metropolitan Winnipeg at that time.

The last major reassessment that was done, in what is now predominantly the City of Winnipeg, was done in 1962 by the Metropolitan Corporation of Greater Winnipeg. During 1966 to 1970, there were a number of area reviews conducted over that period of time between St. Vital and a variety of the other municipalities that formed Metro Winnipeg at that time. The area reviews, Madam Speaker, were discontinued because they were found to be discriminatory and they didn't treat every municipality equally.

In 1971 with the advent of the City of Winnipeg "Unicity," it was proposed shortly after that act was passed and the new council elected, that they proceed toward the basis of current value assessment, something that had been done in other parts of the country but which really hadn't taken off in Manitoba.

In 1972 and '73, certain studies were carried out, and the province and the city met on a number of occasions to try and provide for a uniform assessment process for the whole of the province, Winnipeg and the rest of the province.

Those discussions took place again over 1974-75, and some preliminary analysis information was done, so that in 1976 there was an agreement between the province and the city to use 1975 value levels and to implement a reassessment of the whole province in 1981.

Data developed during 1978-79 during the reassessment process, pointed out that major shifts in value had taken place, shifts that I mentioned earlier, Madam Speaker, with respect to the movement from commercial and industrial property on to residential property. So in 1979 the province decided they should appoint the Manitoba Assessment Review Committee, the Weir Commission, as it were, to look into the whole question of reassessment, and then in 1980 implemented Bill 100 which froze assessment for a period of two years while this committee did its study.

With the election of the Pawley Government in 1981, just subsequent to its election, Bill 33 was passed, brought forward by the Minister of Municipal Affairs of the day, to indefinitely freeze assessment in the City of Winnipeg while further studies were conducted and the final report of the Manitoba Assessment Review Committee came forward in March of 1982. Subsequent to that, a number of studies apparently have been taking place within the Department of Municipal Affairs dealing with this whole question.

In 1984, there was an appeal of the assessment of a number of businesses in downtown Winnipeg which saw a 40 percent reduction of assessment take place on those businesses and a significant tax impact on the City of Winnipeg.

In 1985, the Self Help Alliance for fair taxation, Madam Speaker, took the City of Winnipeg to court, and we are in the position now of having a court order reassessment effective in 1987.

Madam Speaker, I have a copy of the letter the Minister of Municipal Affairs wrote to the Chairman of

the Executive Policy Committee of the City of Winnipeg on May 20, 1986 wherein he states: "I am not convinced however that the shifts in the property tax burden will necessarily be of the magnitude indicated in your tax impact analysis."

Now, Madam Speaker, I find that incredible, that the Minister decides in his opinion that the tax impact analysis done by a myriad of officials in the City of Winnipeg is incorrect, that it's wrong and he doesn't like it, or he doesn't think it's true.

Now, Madam Speaker, I'm certain that the analysis done by those people, those officials of the City of Winnipeg, both in the assessment division were extremely knowledgeable — as knowledgeable certainly as any officials within the province — and the finance officials in the Finance Department of the city just as knowledgeable and probably, in fact, more knowledgeable in terms of the City of Winnipeg than any provincial officials who might wish to oversee that operation. So with that kind of expertise, with that kind of analysis done by the City of Winnipeg, the Minister says: ". . . will not necessarily be of the magnitude indicated in your tax impact analysis." Madam Speaker, I find that unbelievable.

Under a reassessment, who is going to be affected? I think that's the real key. Madam Speaker, we have 170,000 properties in the City of Winnipeg that are assessed for realty tax purposes. Of that 170,000, 128,000 are homes. There are going to be 128,000 properties affected by this reassessment. Now, Madam Speaker, what are the reasons for some of these value shifts?

Over the past number of years, perhaps since the end of the Second World War single-family homes, in particular, values have risen dramatically. With the recession and the high interest rate period, in the latter part of the 1970s, early 1980s, that pent-up demand for homes became very, very strong. As a result, when interest rates were lowered in the last two or three years we found that a number of spurts have taken place in the housing industry and several Ministers have taken credit for that over the last few weeks of the Session. But those spurts, those construction of new homes, Madam Speaker, have caused values to escalate very, very dramatically.

On the other hand, those properties that produce income, whose value is based on the production of income — apartment buildings and commercial and industrial property — have not risen anywhere near the same rate because of the fact that businesses, generally speaking, there's been an oversupply in the industrial sector and then the commercial sector certainly has an ample supply which has caused rates to be significantly depressed.

With respect to apartment blocks, the imposition of rent controls, Madam Speaker, has caused a significant impact on the capital value of apartment buildings. The fact that income production governs the value of a building will certainly be affected by the fact rent controls, when implemented, then control the income that came into those particular properties. When your income is controlled, Madam Speaker, the capital value is also controlled when it is based on the capitalization of that income stream. So those factors have caused that sector of Winnipeg's assessment base to be altered significantly. The balance of it then shifts to single-

family homes which has been the primary base of a number of properties over that period of time.

We are going to see, Madam Speaker, value shifts onto homes up to 34 percent on average. As a matter of fact I'd like to just quote, if I may, some of the statistics from the "Facts Impact Analysis." In the Seine River School Division area, 34.2 percent; Transcona Springfield School Division, 15.8 percent; in the Seven Oaks School Division, 10.6 percent; in St. Vital, 13.5 percent; St. Boniface, 12.1; and Assiniboine South 24.7 percent. Those are the kinds of increases that are going to be resulting from this mandatory reassessment. The fact of the matter is now we have to deal with that question of the impact and how it's going to be buffered so the taxpayers of the City of Winnipeg are not going to be faced with inordinate tax increases.

The legislation passed in 1983 indicated that classification and portioning are the areas that should be considered in terms of providing those buffers, but now I understand the Minister is waffling on those areas, and say that perhaps they're not the best way of doing it. Well if they aren't the best way of doing it, then it's incumbent on the Government of the Day, Madam Speaker, to provide legislation that will accommodate that, that will provide those buffers, that will provide some sense of well-being for the homeowners of the City of Winnipeg. If we don't do that, those inordinate increases will certainly blow us through the roof in terms of being the city with the highest property taxes in the country. We're second now, but certainly if we go very much higher we're going to be No. 1 in the country in terms of property taxes.

So in my view, Madam Speaker, the Minister must bring forward — if classification and portioning through his studies are not going to be the answer, are not going to provide that buffer that's anticipated, then it behooves — and I think the motion indicates, Madam Speaker, that it behooves him to then bring forward whatever other legislation is going to provide those buffers and to provide the comfort level for the taxpayers of the City of Winnipeg. Thank you.

MADAM SPEAKER: The Honourable Minister of Municipal Affairs.

HON. J. BUCKLASCHUK: Thank you very much, Madam Speaker. I'd like to respond to the comments and to the resolution moved by the Honourable Member for Charleswood, having to do with the pending reassessment of property within the City of Winnipeg.

Before dealing with the five specific items on which action has been requested, I would like to clarify several misconceptions that are contained in the preamble to the resolution.

The October 24, 1985 order of Mr. Justice Kroft confirmed that the city must meet its existing statutory obligation to conduct a reassessment once every three years. The purpose of any reassessment is to reflect those changes in property values and relationships that have occurred since the last reassessment. It's clear, therefore, that with any reassessment there will be shifts from one property type of another and within a municipality, from one part of that municipality to another, if, in fact, those changes have occurred within the marketplace.

The fact that the last general reassessment in the City of Winnipeg began in 1962, as was mentioned, and was completed in 1966 means that the degree of shift will be reflective, not of just the changes that would occur within the three-year period that the legislation allows for, but within the 20-year period that has elapsed since the last city reassessment.

I wish to emphasize this point, Madam Speaker, so that all members realize that shifts within the assessment base and subsequent taxation system are to be expected with any reassessment and that the normal course of action is not to try to prevent such shifts which, after all, represent only the necessary adjustments that must be made periodically to the assessment base to ensure that all ratepayers contribute the appropriate amount of taxes based on a true value of their property.

The real question at hand here is whether the situation of not having done a reassessment in 20 years will mean the changes that will come about in the city's assessment base will produce such extraordinary shifts that some special measures must be taken by either the province or the city, or the two jurisdictions jointly, to ensure that no unbearable hardship falls upon the City of Winnipeg ratepayers.

The next question then, Madam Speaker, is whether the reassessment of the City of Winnipeg is going to produce shifts of the magnitude referred to in the resolution from the Honourable Member for Charleswood. City officials have kindly made available to my department initial impact studies conducted by the City Assessor's Office and the City Finance Department, outlining some of the consequences of the pending reassessment. The staff of my department are analyzing this information and are in frequent contact with the City of Winnipeg's staff on the subject.

The information received to date, Madam Speaker, is still quite general in nature. For instance, the tax impact study reflects only the municipal tax load and contains no information on what the reassessment may mean to the distribution of school levies within the City of Winnipeg. I do not believe that it's possible to determine whether special relief will be necessary and, if necessary, to what extent, when information is not even available on the education levies that comprise in the order of 50 percent of a normal property tax bill.

My staff are now working, Madam Speaker, to produce this additional level of information that I believe is essential if the province is to offer any informed response to the city's request for assistance. — (Interjection) — I guess I read history.

One last item from the resolution requires correction or at least classification. Reference is made to Bill 105 as being legislation which was designed to buffer the impact of reassessment. This is not the case, Madam Speaker. Reassessments are required at statutory defined intervals through both The Municipal Assessment Act and The City of Winnipeg Act.

As I mentioned earlier, these reassessments exist solely to ensure that shifts in property values are reflected in the assessment roll, so that those rolls and subsequent tax levies accurately portray the existing value relationships from one property to another. It would be totally contradictory to have passed legislation whose intent was to make sure that such necessary shifts did not come about.

The purpose of Bill 105, Madam Speaker, had nothing to do with reassessments. It had to do with putting the province in a position to implement the recommendations of the Manitoba Assessment Review Committee. Those recommendations suggested that the entire province move to a market value level of assessment. This move, which would affect all municipalities within the Province of Manitoba, would result in assessment shifts that the review committee felt should be moderated in the short term. This is quite a different matter, Madam Speaker, than the issues of shifts that may come about during the normal reassessment of any given municipality.

Bill 105 was not put in place to ameliorate property tax shifts accompanying a reassessment within the City of Winnipeg. It was put in place for province-wide use when the information was on hand that would allow all assessment in this province to reflect current market levels of value.

There is substantial misunderstanding in this regard, Madam Speaker, and it is of considerable concern to me since, even if Section 2 of Bill 105 was proclaimed tomorrow, it would not prevent the shifts from occurring from one property class to another within the city nor from one part of the city to another. The portions that would be prescribed as percentages of value would be reflective of the entire provincial assessment rate, not just the City of Winnipeg's assessment base.

I don't want the City of Winnipeg ratepayers nor Council to operate under any illusion that there is anything magic about the provisions of Bill 105 that will somehow completely or totally compensate for taxation shifts occurring within that municipality. It may well be that some moderation of shifts could accompany implementation of Bill 105's provisions but, if those shifts are of the degree that the Member for Charleswood speculates upon, the relief provided by Bill 105 would satisfy few City of Winnipeg ratepayers.

Now, Madam Speaker, if I could deal with the five resolved items from the member's resolutions. Items 1 and 3 request the proclamation of Section 2 of Bill 105 and the accompanying definitions of "property classes" and "assigned percentages of value" that will be necessary to implement the classification and proportioning system envisioned by the Manitoba Assessment Review Committee. There is no benefit to be gained at this time in such action, Madam Speaker. The legislation was not designed to accomplish the goal that the Member for Charleswood wishes to obtain. In fact, Madam Speaker, as I mentioned, it still remains to be proven that the tax shifts forecast by the member will even come about to the degree he projects.

I am pleased however, Madam Speaker, to respond somewhat more positively to Items 4 and 5 of the member's resolution. As requested by the resolution, it is certainly the intention of my department to monitor the reassessment process within the city as it takes place through to December 31, 1986. I can also state that, as requested by the Member for Charleswood, the close liaison he refers to as being desirable — (Interjection) — well, jump up on that word; don't you like that word? — has already been established at the staff level. Earnest attempts are being made through the City Assessor's Office and the Provincial Municipal Assessor's Office and my own department's Research Branch to document fully the financial impact of the city's reassessment.

This documentation, Madam Speaker, will include the impact of this reassessment on the imposition of school levies across the various Winnipeg school divisions. If this analysis, Madam Speaker — and they've been waiting for this word — determines that extraordinary hardship will be placed on Winnipeg ratepayers that is above and beyond the impact that ratepayers in any municipality might normally expect to accompany a reassessment, then our government is committed to taking whatever appropriate action may be required to provide taxation relief to affected property owners.

It would be my intention that such a program of relief would be designed in . . .

MR. H. ENNS: Madam Speaker, on a point of order.

MADAM SPEAKER: The Honourable Member for Lakeside on a point of order.

MR. H. ENNS: Madam Speaker, I wonder if the Honourable Minister would be prepared to table the document that he's reading from.

MADAM SPEAKER: A question is not a point of order. The Honourable Minister.

HON. J. BUCKLASCHUK: The Member for Lakeside will have a copy within about 24 hours, depending on staff of . . . I know he interrupted me purposely to distract me from the importance of the message that, if there are undue hardships, then our government will take whatever appropriate action may be required to provide taxation relief to affected property owners.

It would be my intention that such a program would be designed in close cooperation with the City of Winnipeg officials, and I want to assure the Member for Charleswood that the Legislative Assembly will be kept fully informed as to our actions in this regard.

Thank you.

MADAM SPEAKER: I would like to remind all honourable members, by the way, of Rule 309, which concerns itself with: "A member addressing the House shall not read from a written, previously prepared speech . . . "with a few exceptions. I have brought this to members' attention before. I know we have a tradition in the House of members, on their inaugural speeches, reading them, but from there on in we have only tolerated extensive notes.

The Honourable Member for River East.

MRS. B. MITCHELSON: Thank you, Madam Speaker.

I am pleased to have this opportunity to second the resolution put forward by the Member for Charleswood. It gives me an opportunity to stand here and let it be known that the issue of reassessment was a major issue in my election campaign in River East, because my constituents are very concerned and I am very concerned too, Madam Speaker, about the effects that this reassessment might have.

I might add that, during the election campaign, the former Member for River East was quoted in the Winnipeg Free Press on March 9 as saying that people are resigned to the fact that taxes just keep going up. I might suggest, Madam Speaker, that this quotation

might be one of the reasons that he's not here now and I am. People are concerned about their taxes going up, Madam Speaker.

As stated by the Member for Charleswood, the last general assessment was completed in the inner City of Winnipeg in 1962 and in the suburbs in 1963 to 1965. The need for reassessment was not pressing during the Sixties and the early 1970's as inflation in property values was not rapid but, by the mid-Seventies, property value inflation accelerated causing severe distortions in assessment-to-value ratios.

The passage of time since the last general assessment of real property in the City of Winnipeg, together with uncertainty about the Provincial Government's legislative intentions have led to dissatisfaction and inequity amongst property owners.

It is clear that the City of Winnipeg has been looking to the province for guidance and direction for at least the past five to six years. It is evident that they would like to see an end to the existing state of affairs with regard to the assessment of land.

Might I indicate, just as a response to the Minister when he was speaking to this resolution, that the Province of Manitoba does have some responsibility for the existing mess. The province does have an obligation to ensure that its own legislation is complied with in all respects. The province is responsible for both The City of Winnipeg Act and The Municipal Assessment Act.

The city believes immediate action should be taken to rectify the situation but this should not come at the cost of the homeowners. Many homeowners have developed a particular lifestyle and if faced with major tax increases, could face serious financial implications.

Reassessment should provide equality and justice to all taxpayers, but should ensure that implementation does not cause financial burden to homeowners. We must recognize that the taxpayers of the City of Winnipeg were not responsible for this inaction or for the injustices in the past and they should not suffer unduly now as a result of improper legislation or protection of portioning contained in Bill 105.

The Province of Manitoba should provide assurance to the City of Winnipeg and to the single-family residential property owners in the city that Bill 105 will be proclaimed and will be utilized to stop the shift in property tax from industrial, commercial, and multiple-family properties to farm and single-family residential properties, which is expected to flow from the general reassessment.

The basic and very legitimate reason for reassessment is to ensure that like properties within each class of property are assessed at like values, regardless of location.

Anything that substantially increases the property tax paid by single family residential properties in the City of Winnipeg should be avoided at all costs.

It should be noted, Madam Speaker, that the City of Winnipeg municipal taxes are second-highest in the country. One of the main contributing factors, Madam Speaker, to this is that the provincial financial support to the City of Winnipeg is 19 percent. According to the City of Winnipeg Review Act, the Canadian average is 45 percent financial support received by major cities in most other provinces.

Let me just do a bit of a comparison in the three Prairie provinces, specifically Winnipeg, Regina, and

Monday, 9 June, 1986

Calgary. It is quite obvious that the Provinces of Saskatchewan and Alberta provide a higher level of financial support to Regina and Calgary respectively, than does the Province of Manitoba to Winnipeg.

The three cities in 1983 received the following financial support from their respective provincial governments; the City of Winnipeg got \$115.95 per capita; Regina got \$140.03 per capita; and Calgary got \$162.90 per capita.

Had Winnipeg enjoyed the same per capita level of provincial funding received by Regina in 1983, Winnipeg would have received some \$14.4 million in additional financial assistance. This would have had the effect of reducing the municipal portion of the property tax by 7.5 percent.

At the Calgary per capita level of funding, Winnipeg would have received some \$21.8 million in additional financial assistance. This would have reduced the municipal portion of the property tax by 14.6 percent.

The residential property tax in Winnipeg at present is very high relative to other cities in Canada. A further tax increase for single-family residential properties resulting from the shift between classes of property expected when a general reassessment takes place must be avoided. Single-family residential taxpayers within the City of Winnipeg should be afforded protection by portioning contained in Bill 105.

All methods available to us should be used to buffer the undue financial stress which could be caused to 60 percent of the citizens of Manitoba through the inappropriate implementation of reassessment. Commitment should be made by this government to implement the provisions of Bill 105 for classification and portioning, as soon as possible.

A phasing-in procedure should be implemented in a similar manner, as suggested in the Manitoba Assessment Review Committee Report, which would ensure that those shifts which might occur could be implemented in a humane and reasonable way.

Thank you.

MADAM SPEAKER: The Honourable Minister of Urban Affairs.

HON. G. DOER: Thank you, Madam Speaker. I, too, would like to rise and speak on the resolution proposed by the Honourable Member for Charleswood.

Assessment and assessment reform is a very, very serious issue. It has been a very serious issue for Canadians. It certainly has been a very serious issue for Manitobans, as they have been going through reassessment and assessment reform throughout Manitoba in a great number of our communities. Certainly in 1987, it will be a very serious issue, an important issue for the citizens of Winnipeg.

I wouldn't disagree with the preliminary information of the Member for Charleswood in terms of the history of the shifts in the property value and that certainly, notwithstanding the degree of those shifts, there will be a change based on fair market value and a shift from commercial and multi-residential to the residential, and there will be a shift from some areas of Winnipeg, and the urban area of Winnipeg, to other areas of Winnipeg.

As other city councillors have stated, or some other city councillors, we do not yet want to spread panic

in the streets. We want to have more specific information. As the Minister of Municipal Affairs has mentioned, the whole area of the school tax levy and its impact has not yet been included in the data. As the City of Winnipeg assessors have also stated, the information they provided, and it was quoted by the Member for Charleswood, is preliminary, general, and they are still working on more specific information.

So the logic becomes, does the province act on what the city states to be its initial, general information, or does it wait for the more specific and accurate information?

The members opposite are talking about this. Should we make adjustments that other areas of the province have not asked for, other municipalities have not asked for, and will affect the school tax levy when we don't yet have the accurate, full information, as admitted to by the City of Winnipeg. I suggest that we should have the more accurate information as long as we have it prior to the time that the new assessments must come in, as provided for in Justice Kroft's decision, as quoted by the members.

Now the Member for Charleswood has provided us with a very, very interesting and antiseptic history on this issue. He mentions the various key dates in the area of assessment, and the lack of assessment, and the lack of assessment reform, and he quotes '61, '62, '71, '74, '75. He moves on to '79, until we get a period of time of 1986. I did not hear in his speech, Madam Speaker, at any time, the whole area, a lack of leadership on behalf of the many elected representatives in city council, the lack of leadership in providing the assessment and the reassessment, as was charged under The City of Winnipeg Act. The fact that 20 years, 25 years, 26 years has gone by without the legal requirements of the City of Winnipeg being met. In fact, it became so bad, Madam Speaker, that judges had to bring the City of Winnipeg, unfortunately, kicking and screaming, before the courts, and render decisions, both in the area of the business tax assessment, as the member has quoted, and again with the property tax shift in the City of Winnipeg.

Now Bill 105, Madam Speaker, will provide some relief, the degree to which we still do not know because we still have not got those last figures which, I understand from the Minister of Municipal Affairs and from city officials, will be with us in a couple of weeks. How much relief is necessary? We still don't know.

Bill 105 is not a time machine that will freeze frame this situation and bring us back to the good old days. Bill 105 will provide some relief, but it will not provide all the relief. It will not move all the assessment back to property, the commercial property from residential, as some members in the public debate on this issue have indicated, because Bill 105 is a province-wide Act, but it will be necessary to look at those provisions to alleviate the impact in the reassessment process.

It has been mentioned — we heard the figure of Regina quoted by the Member for River East. I want to point out to the Member for River East, you can do a lot of things with figures, but the bottom line is that people and citizens in the City of Regina, because they don't have the property tax credit that they do in Manitoba, pay a higher tax than the citizens of Winnipeg. There's no question, the City of Winnipeg is not the lowest in the country and I readily admit that in terms

of taxes and property taxes. — (Interjection) — It's not the second highest. You look at Ottawa; that's two cities right there.

Members again have mentioned the City of Regina in terms of tax relief. They haven't mentioned that we transferred in municipal tax sharing payments just last week, a 7.2 percent increase because of the growth in this economy. Commercial and residential economy, 7.2 percent transfer, over \$1 million to the City of Winnipeg increase compared to the transfer in Regina with a more strangled economy in that province, of under 3 percent.

The other area of assessment review that is very important is the whole area of what the province will do. The Minister of Municipal Affairs has stated that we would look at areas to provide relief when we knew the accurate numbers. It's also very important, when this issue was raised coincidentally in the last provincial election, almost simultaneously between city officials and the Leader of the Opposition, the Premier responded to the Mayor of Winnipeg. I think it's very important to read on the record his response to the Mayor of Winnipeg.

"I'm quite pleased to advise you that Section 2 of Bill 105 will be proclaimed by this government as soon as the information is on hand to allow for a meaningful implementation of its provisions. My Minister of Municipal Affairs provided the Chair of the City of Winnipeg Finance Committee the same assurance at a meeting of January 20, 1986.

"Assessment reform is one of our highest priorities, and major progress has been made. On the provincial side, research is now being completed that will enable us to identify property classes and the respective shares of the total provincial assessment base that will be necessary to allow the proclamation of Bill 105.

"I would like to reiterate that the sooner we receive the new assessment information from the City of Winnipeg, the sooner we'll be in a position to evaluate the final data on property classification and portioning. The primary purpose behind portioning is that major shifts in assessment from one property class should be prevented to that through other property classes as proposed by the Weir Committee.

"The misunderstanding seems to occur with the impression that Bill 105 has any direct connection with the court-ordered reassessment of the City of Winnipeg. The mandate of the Weir Commission was a province-wide evaluation of the assessment process and the committee's recommendations were accordingly designed on that basis.

"Bill 105 was not designed to moderate shifts between property taxes within a single municipality and, in fact, it was not used for that purpose. It would be a contradiction of a province-wide uniformity and assessment procedures that the Weir Committee so strongly urged.

"I am committed to the fairest possible system of property taxation for Winnipeg and all of Manitoba. Reassessments have been occurring in other municipalities in Manitoba. Shifts between property classes have also accompanied these reassessments as a result of changing land values over to the seven- or ten-year reassessment cycle of rural Manitoba.

"In the City of Winnipeg's case, reassessment has not occurred in approximately 30 years. Without any

further information from the city on the scale of these shifts, it would seem to be putting the cart before the horse to promise a solution to the problem that has not been accurately defined. We have indicated before that when you have completed your reassessment," that being the city, "my Minister and I would be pleased to discuss how the province and the city can work together in the best interests of the city and of all of Winnipeg."

That's from the Premier again to the Mayor of the City of Winnipeg. There you see it. The province has not taken a position, a total hands-off position. It has not said we will not deal with some of the accommodations necessary on Bill 105. The province has not stated that we're not going to do anything on this issue. We said we want to have the specific data, so we can make accurate and specific accommodations.

I should point out, Madam Speaker, that at the last meeting between the official delegation of the City of Winnipeg and the province, the matter of exemptions within the City of Winnipeg was raised by the official delegation and we did discuss that. The whole matter of reassessment was also identified and we had a general discussion on the potential impact to our collective citizens on the reassessment and the long overdue assessment reform. We made that commitment, Madam Speaker.

As the Minister of Municipal Affairs has stated, our commitment at that time at that meeting, the commitment the Premier made in the letter to the Mayor, our commitment today and to the official delegation — in fact, we were discussing with the Mayor this morning an appropriate time to meet with his assessment officials and our officials to look at the specifics on the whole area and the impact on the citizens of Winnipeg between the shift from commercial to residential and the shift from some areas of residential to other areas of residential.

This government believes in a fair taxation policy. We did not, in our last Budget, unlike the federal Conservatives with the Budgets of the last two Budgets, raising taxes on ordinary citizens including ordinary citizens of Winnipeg and ordinary citizens of Manitoba with the increase in the personal income tax, we did not raise the personal income tax in our last Budget. We did not raise the sales tax. We did everything possible to lower the deficit, to provide the services and not to raise taxes, notwithstanding cigarette smokers, as the Member for Kildonan points out.

This government, in dealing with the area of assessment, believes in fair taxation. We believe in the fair market values. We believe in fair taxation and a fair burden of the taxation, and we will look at that in the proposed shifts between commercial and residential. We believe in fair taxation in terms of what is the effect on ordinary ratepayers, and we also believe in fair taxation as it impacts between one region of the province and another region of the province because, unfortunately, you just cannot isolate Winnipeg from the rest of the municipalities because we have the whole situation of the school levies and the school levy taxation. It would be unfair to do one thing that's totally preferential without taking into consideration its impact on other areas of the province.

That's why it's a province-wide situation with special significance in 1987 to the citizens of Winnipeg, special

Monday, 9 June, 1986

implications that we appreciate, special implications that this government will deal with when we have the most accurate information so that we can make the most intelligent decisions on it.

Thank you, Madam Speaker.

MADAM SPEAKER: The Honourable Member for St. Norbert.

MR. G. MERCIER: Thank you, Madam Speaker.

I move, seconded by the Member for Sturgeon Creek, that the question be now put.

MADAM SPEAKER: It has been moved by the Honourable Member for St. Norbert, seconded by the Member for Sturgeon Creek, that the question be now put. Agreed?

Those in favour, say aye. Those opposed, say nay. In my opinion, the ayes have it.

The motion before the House is the proposed motion of the Honourable Member . . .

The Honourable Government House Leader.

HON. J. COWAN: Madam Speaker, yeas and nays, please.

MADAM SPEAKER: Call in the members.

It has been moved by the Honourable Member for St. Norbert, and seconded by the Honourable Member for Sturgeon Creek, that the question be now put.

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

YEAS

Birt, Blake, Brown, Connery, Ducharme, Enns, Ernst, Filmon, Findlay, Hammond, Johnston, Manness, McCrae, Mercier, Mitchelson, Nordman, Oleson, Orchard, Pankratz, Rocan, Roch.

NAYS

Ashton, Baker, Bucklaschuk, Carstairs, Cowan, Doer, Dolin, Evans, Harapiak (The Pas), Harper, Hemphill, Kostyra, Lecuyer, Mackling, Maloway, Parasiuk, Pawley, Penner, Plohman, Santos, Schroeder, Scott, Smith (Ellice), Smith (Osborne), Uruski, Wasylycia-Leis.

MR. CLERK, W. Remnant: Yeas, 21; Nays, 26.

MADAM SPEAKER: The motion is defeated.

The hour being 5:30, I'm leaving the Chair with the understanding that the House will reconvene at 8:00 p.m. in Committee of the Whole.