

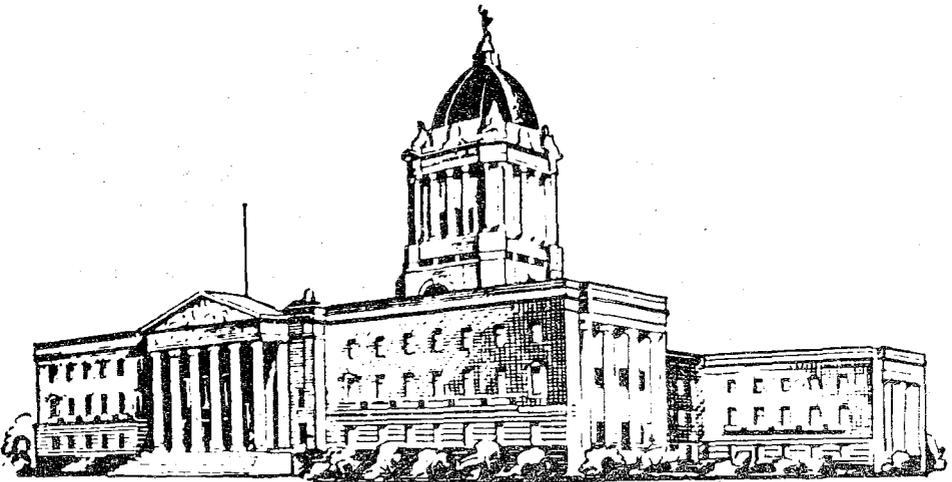


Legislative Assembly of Manitoba

**DEBATES**  
and  
**PROCEEDINGS**

Speaker

The Honourable Peter Fox



Vol. XIX No. 76 10:00 a.m., Friday, May 12th, 1972. Fourth Session, 29th Legislature.

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WOLSELEY			

## THE LEGISLATIVE ASSEMBLY OF MANITOBA

10:00 o'clock, Friday, May 12, 1972

Opening Prayer by Mr. Speaker:

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the Honourable Members to the gallery where we have a number of visitors. There are 27 students Grade 5 and 6 standing of Borup, Minnesota. These students are under the direction of Mrs. Temanson.

There are also 26 students of Grade 12 standing of Wood Lake, Minnesota. These students are under the direction of Mr. Bladwin and Mrs. Blomquist.

We have 12 students of Grade 12 standing of . . . . . North Dakota. These students are under the direction of Mr. Fee.

We have 15 students, Grade 12 standing of the Munich High School of North Dakota. These students are under the direction of Mr. Demaine,

45 students, Grade 12 standing of Edgerton High School of Minnesota. These students are under the direction of Mr. Rolsma,

And 15 students, senior twelve standing of Surrey High School of North Dakota. These students are under the direction of Mr. McDaniel.

On behalf of all the Honourable Members of the Legislative Assembly I welcome you here.

MR. SPEAKER: Presenting Petitions, Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports.

MINISTERIAL STATEMENT

MR. SPEAKER: The Honourable Minister of Finance.

HON. SAUL CHERNIACK, Q. C. (Minister of Finance) (St. Johns): I don't have a copy of what I wanted to say in connection with statements. It's really a procedural matter and I think that the House would not object if I just informed honourable members that in connection with Bills 5 and 6, Succession Duty and Gift Tax Act, that I'm having proposed amendments prepared. As soon as they are ready, I'll have them circulated to all honourable members so they will have an opportunity to familiarize themselves with the amendments before we go into Committee of the Whole in dealing with those amendments.

MR. SPEAKER: The Honourable Member for Morris.

MR. WARNER H. JORGENSON (Morris): Perhaps, Sir, although it is not strictly in order at this time, but I wonder if I might ask the Minister if in the light of his statement, is there any intention of the government then to proceed in the near future with those three bills?

MR. CHERNIACK: Not necessarily, Mr. Speaker, we'll proceed as we do normally. I just want to get these proposed amendments into the hands of honourable members as quickly as possible, but then we'll just handle it as business provides. It's not that pressing; it's just advisable to deal with it.

MR. SPEAKER: Notices of Motion, Introduction of Bills, Oral Questions. The Honourable Leader of the Opposition.

ORAL QUESTION PERIOD

MR. SIDNEY SPIVAK, Q. C. (Leader of the Opposition) (River Heights): Mr. Speaker, my question is to the Minister of Industry and Commerce. I wonder whether he can indicate to the House whether representation has been made within the last few weeks to his department of the continuous and substantial transfer of capital out of Manitoba.

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East): No, Mr. Speaker.

MR. SPIVAK: I didn't hear the minister's reply.

MR. EVANS: No.

MR. SPIVAK: I wonder if the Minister would undertake to investigate and determine whether the representation that's made, or the implication of the question, has not in fact been made to his department.

MR. EVANS: Well, Mr. Speaker, I don't know exactly what the Honourable Leader of the Opposition means by representation. Does he have a copy of the letter? I'd be pleased to see it, so I would know too. Mr. Speaker, as I have said many times in this House, the department deals on a daily basis with dozens of business people and other people interested in economic development in this province. Now if a businessman, or group of businessmen have made any representation to the officials of the department, I am not at this moment in time aware of it.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Mr. Speaker, I direct a question to the Honourable the Acting Minister of Mines and Natural Resources. I wonder, Sir, if the Minister can tell me when he and the government expect to receive the final report of the Manitoba Water Commission.

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

MR. EVANS: Mr. Speaker, I believe the honourable member is referring to the transcripts of the hearings. Mr. Speaker, we have not yet received the transcripts. I have undertaken to make these available as soon as they are provided to us in typed form. We have received no copy of the report.

MR. ENNS: Excuse me, Mr. Speaker, perhaps to clarify the question somewhat further for the Minister. I am referring to the reports and the work being done by the Manitoba Water Commission with respect to the pattern of regulation on Lake Winnipeg. I understand that the Manitoba Water Commission has been charged with the responsibility to draft or make recommendations to the government as to the pattern of regulation re Lake Winnipeg.

MR. EVANS: Well, Mr. Speaker, we have received no report to date.

MR. ENNS: A supplementary question, Mr. Speaker. I wonder is the - I direct it to the Acting Minister in the absence of the First Minister who I understand is responsible for Hydro, but is the government considering deferring any further work re the control structures on Lake Winnipeg until such a report from the Manitoba Water Commission is in their hands?

MR. EVANS: As my colleagues reminded me as I was thinking this over, it is a matter of government policy as to exactly how we will proceed.

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

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. I'll direct my question to the same Minister, the Minister of Mines, Resources and Environmental Management. Yesterday I asked a question of the First Minister, which he took under advisement, regarding the policy or the decision to purchase flood prone land in the Poplarfield-Libau area, and I'll ask the Minister of Mines and Natural Resources, what is the purpose of the government in purchasing these lands in the Red River mouth area?

MR. EVANS: Mr. Speaker, I believe the Honourable First Minister did take the question as notice and a reply will be forthcoming in due course.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): The member should have placed the question to myself as the program is under the jurisdiction of my department and indeed, part of the FRED program of the Interlake. Land acquisition was begun some four or five years ago by the previous administration for reasons that were obvious and those were the flooding, the nature - the flooding pattern of that area surrounding the southern end of Lake Winnipeg from Washow Bay on the West side right around through to Libau, Netley, Poplarpark areas on the east side of the lake.

However, the program failed because of the very low offers that were made and the province revised the terms of reference for the Land Acquisition Department, or Branch, which allowed for greater offers to be made and which resulted in a substantial purchase of property in the area.

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

MR. GRAHAM: A supplementary question and I'll direct it to the Minister of Agriculture then. Am I to understand then from the Minister that they are now paying in excess of \$80.00 per acre for the land in that area?

MR. USKIW: No, I believe, Mr. Speaker, the ceiling is \$80 per acre.

MR. SPEAKER: The Honourable Member for Flin Flon.

MR. THOMAS BARROW (Flin Flon): A question to the Attorney-General, Mr. Speaker.

(MR. BARROW cont'd) . . . . . Is the law pertaining to the removal of studded tires being enforced and, if so, does the law apply equally to everyone?

MR. SPEAKER: The Honourable Attorney-General.

HON. A. H. MACKLING, Q. C. (Attorney-General) (St. James): Yes, Mr. Speaker, the law is being enforced. If any particular case is known by the member that hasn't been brought to the attention of the authorities, I'll be happy to convey it. There is no favouritism allowed to anyone, whether he be in government or out of government, or whether he be a resident or non-resident.

MR. SPEAKER: The Honourable Member for Thompson.

MR. JOSEPH P. BOROWSKI (Thompson): Mr. Speaker, I have a question for the Attorney-General. In view of the statement that he has made, I wonder if he would tell us why the Member for Rhineland is still driving with studded tires?

MR. MACKLING: Mr. Speaker, I haven't investigated the matter, I'll take that under advisement.

A MEMBER: For about three or four days.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): On a point of order the tires would have been changed if I had been able to get the correct tires for that car. They don't . . .

MR. SPEAKER: Order, please. The Honourable Member for Portage la Prairie.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, my question is for the Minister of Colleges and University Affairs. Has the government plans for the coming year to increase the number of medical places at the medical college to help relieve the shortage throughout Manitoba?

MR. SPEAKER: The Honourable Minister of University and Colleges.

HON. SAUL A. MILLER (Minister of Colleges and Universities) (Seven Oaks): Mr. Speaker, the government indeed has such plans and starting September 1972 the enrollment will be increased by 30 percent.

MR. G. JOHNSTON: A supplementary question and may I say congratulations to the Minister for that announcement. A supplementary question relating to the shortage of dentists in the province. Are there any plans to increase the number of places to train dentists, with the view of the dentists staying in the province to practice?

MR. MILLER: Mr. Speaker, the facility being built, the Basic Sciences Building, should also make it possible to increase the number of dental students. In regard to the retention in Manitoba of both dentists and doctors, the department undertook a program in September of 71 which we think will lead to more dentists and doctors remaining in Manitoba than has been the case in the past.

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

MR. GRAHAM: My question is for the Minister of Agriculture. In view of the statements on the flooding in the Red River mouth area, could the Minister indicate whether the directive came from the Water Resources Branch to increase the level from 718 to 722 for the area that the province is now purchasing land that is flood prone.

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Well, Mr. Speaker, the relevant departments were involved in arriving at the decision, so that the answer would be yes.

MR. GRAHAM: I have a question then for the Minister of Mines and Natural Resources. Is it the intention of the government to control the level of Lake Winnipeg at the level of 722 instead of 715?

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

MR. EVANS: Mr. Speaker, I don't believe that to be a legitimate question.

The other day the Honourable Member from Rupertsland asked me a question about which municipalities had bounties on predators and I can inform honourable members of the House there is only one municipality in Manitoba that pays bounties on wolves, and that's the Rural Municipality of Miniota and for this year it only did this for one month. There are three other municipalities that pay bounties on what they call useless animals, including skunks and racoons, the RM of Morden on skunks only, the RM of Norfolk on skunks and racoons, and the RM of South Cypress on skunks only. The Municipalities must register with the department as to any program . . .

MR. SPEAKER: Order, please.

MR. EVANS: . . . that they institute and giving the names of the species for which the bounties are paid. But these, Mr. Speaker, are the only programs that are - only these programs are registered with the department.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Industry and Commerce. I wonder whether he can indicate, and this deals with the AIDA grants that would be paid to the CFI Complex, the CFI, and to MP Industrial. I wonder if he can indicate whether the monies to be paid by the AIDA grants by the government, will in fact be used to pay both the secured and unsecured creditors?

MR. EVANS: Mr. Speaker, they'll be used to the best interests of the people of Manitoba.

MR. SPIVAK: I wonder if the Minister of Industry and Commerce can indicate whether in the discussions with the Federal Government it was indicated that the money would be used to pay off the creditors, secured and unsecured.

MR. EVANS: No, Mr. Speaker.

MR. SPEAKER: The Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I have a question for the Honourable Minister of Agriculture. Can the Minister explain the change in government policy with respect to crop damages to farmers?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, there is no provision for compensation for flood damage. It's a land acquisition program carried out under the Land Adjustment Policies of the FRED program, so I would hope the honourable members get that point straight. The question of buying at the 722 is a result of flooding up to that level that has occurred for several years, and that is the relevancy of the level.

MR. PATRICK: A supplementary, Mr. Speaker. I believe the Minister misinterpreted my question. My question is, was there any change in policy? And my other question is a supplementary, does he not feel the farmers that are flooded out along the Shellmouth dam are just as important as the ones along the Red River?

MR. USKIW: Well, Mr. Speaker, obviously the Member for Assiniboia doesn't fully comprehend the nature of the program. There is a major land adjustment program under the FRED Program in the Interlake, which is a designated area, and under that program we are acquiring low producing land or low lying lands.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I would like to direct a question and I'm not sure whether it's to the Minister of Agriculture or to the Minister of Mines and Resources. I'll direct it to the Minister of Agriculture. Has there been any change in policy in connection with the sale of Crown lands?

MR. USKIW: I'm not aware, Mr. Speaker, whether there has been. The question should properly be put to the Minister of Mines and Resources.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, a supplementary then. I direct my question then to the Minister of Mines and Resources. Has there been any change in policy as to the matter of sale of Crown lands?

MR. EVANS: There has been no substantial change in the policy.

MR. SPEAKER: Orders of the Day. The Honourable Member for Fort Garry.

MR. L. R. (BUD) SHERMAN (Fort Garry): Mr. Speaker, my question is to the Honourable First Minister. It relates to monies advanced to Unicity in order to cover its revenue shortages announced on Wednesday. My question to the Honourable Gentlemen is whether those monies are going to be considered part of, or additional to, the province's financial obligation to Unicity.

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, that question frankly is a little too obtuse to answer in a few words. However, I believe I can say that we have already indicated the extent to which the province is prepared to make their financial contribution with respect to certain budgetary aspects, the City of Winnipeg and we have no indication, no intention at this time to bury that.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Supplementary question for clarification, Mr. Speaker. Are the monies

(MR. SHERMAN Cont'd) . . . then referred to in Wednesday's announcement part of that commitment and undertaking?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Now, Mr. Speaker, the honourable member perhaps should specify what announcement he is referring to.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, my question is for the Honourable the Minister of Industry and Commerce relating to the operations of Columbia Forest Products at Sprague. Has the government had any communications in recent days with the Board of Directors of Columbia Forest Products concerning future operations of the plant at Sprague?

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

MR. EVANS: Mr. Speaker, the government as such has not but perhaps the legal counsel for MDC may have some have had some communication, but government as such has not.

MR. SPEAKER: The Honourable Member for Thompson.

MR. BOROWSKI: Mr. Speaker, I have a question for the First Minister. I wonder if the government is considering of putting liens against Transair Aircraft which are owned by Great Northern Capital which also apparently owns the Sprague Forest Products and who owes the government considerable amounts of money.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, solicitors for the Manitoba Development Corporation in taking certain legal action with respect to the 1967 Agreement between the Crown and Great Northern Capital, or the Rodell Corporation, will, I am confident, explore and exhaust all possibilities of taking action which will improve the prospects of recovering sums of money properly owing the Crown by Great Northern Capital or the Rodell Corporation.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the First Minister. I wonder whether the government would intend to recommend to the Federal Government the appointment of the Member from Thompson as the next Chief Justice of Manitoba.

MR. SCHREYER: Mr. Speaker, the . . .

MR. SPEAKER: Order, please. The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I find that a difficult question to answer but I believe it can be said that the experience in legal practice on the part of the Member for Thompson is about equal to the Honourable the Leader of the Opposition.

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

MR. SPIVAK: Mr. Speaker, I have a question for the Minister of Finance. Has the government had any discussions with the Bank of Canada concerning the effect of Manitoba's recent loan from Germany with respect to the problem of the exchange rate on the Canadian dollar?

MR. CHERNIACK: Mr. Speaker, we are frequently in touch with officials of the Bank of Canada. When I say we, it is often the Deputy Minister who is, but I myself have had discussions with the Bank of Canada in relation to our whole program for the following year. We have discussed all the ramifications and I want to - I don't know that I have a right to speak - well I know I have no right to speak on behalf of the Bank of Canada, nor do I think I have a right to go into any detail on the discussions, but I can say without any equivocation that the program that we are involved in for our coming year is known to, and is not in any way contrary to the thinking and consideration, or policy of the Bank of Canada. In other words, I have feeling of assurance that what we are doing is in accord with their policies.

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

MR. G. JOHNSTON: Mr. Speaker, my question is for the Minister of Mines and Natural Resources. Is there a continuing program of testing of the rivers and lakes for mercury pollution and if so, has the previous pollution been completely eliminated or disappeared?

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

MR. EVANS: Well, Mr. Speaker, that is a very broad question when you ask if all the previously existing mercury has been eliminated. I can advise the members of the House that testing goes on around various major streams and lakes on a very - under a program, and I believe there is co-operation with the Federal Government. I believe we have a lot more information today, for example, on mercury in Lake Winnipeg, mercury contents of Lake

(MR. EVANS Cont'd) . . . Winnipeg, than we had a year ago. In fact I believe it's felt that the mercury that is in Lake Winnipeg is more confined than it had been previously, but I cannot say that all the mercury contained in rivers or lakes in Manitoba has been eliminated.

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

MR. G. JOHNSTON: A supplementary question on the same subject, Mr. Speaker. Is the law suit that was between the province and a firm that manufactured chemicals, has the law suit been terminated, and if so what are the results?

MR. EVANS: Mr. Speaker, I don't know whether I am the correct person to take this question, but I will take it as notice.

MR. SPEAKER: The Honourable Member for Churchill.

MR. GORDON W. BEARD (Churchill): On a subsequent question then, Mr. Speaker, is there some indication then by some experts that the mercury was always in the fish product?

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

MR. EVANS: Mr. Speaker, I think the honourable member knows probably as well, maybe better than I do, that the mercury content in some of our lakes, and therefore the existence in some of our fish, did not occur overnight. It is I think a growing awareness on the part of society and its various environmental agencies about various kinds of chemicals, and so on. But there is no doubt that with increased use of chemicals in agriculture, with increased industrialization that we can make for a situation, which increases all forms of pollution including mercury pollution.

MR. SPEAKER: The Honourable Member for Churchill.

MR. BEARD: Then one other associated question, Mr. Speaker, to the same Minister. Now that they're able to break down the count of arsenic poisoning, will the same - is there some indication that the same tests will be given to fish and other meat products?

MR. EVANS: I am sorry, because of the noise in the House I didn't hear the first part of the honourable member's question.

MR. BEARD: Well now that they are able to test for arsenic poisoning under the same type of tests, will they be going through the same type of exercise that we have done with mercury.

MR. EVANS: I really - I don't think I am really in a position to advise the honourable member. I am not that conversant with . . .

MR. SPEAKER: Order, please.

MR. EVANS: Thank you, Mr. Speaker. I am really not in a position to advise the honourable member.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, on that same subject, and I'd address my question to the same Minister. Was the purpose of closing the lakes for fishing really the matter of mercury content, or was it a matter of trying to replenish the lakes with more fish?

MR. SPEAKER: The Honourable Minister.

MR. EVANS: Well, Mr. Speaker, the opening and closure of lakes has a great deal to do with the Federal Government, as the honourable member may know, and I would say the direct reason was because of the concern of the mercury content in the lake.

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

MR. GRAHAM: Thank you, Mr. Speaker, my question is for the First Minister. In view of the recent events of the last few weeks, will the First Minister and his government reconsider a decision which was announced by the Minister of Mines and Natural Resources where they said they will not be responsible for flood damage and flood damage payments? Will the First Minister reconsider that decision?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I don't believe that any of my colleagues made a statement quite the way the Honourable Member for Birtle-Russell is suggesting that they did. I believe I believe that the question was asked in the context of a specific case where some flooding may have taken place. Insofar as general responsibility is concerned, of course, that still obviously lies with the Crown and the decision as to whether or not there is justification for any compensation measure has to be determined in the light of the facts of each case.

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

MR. G. JOHNSTON: Mr. Speaker, now that the Attorney-General has returned, perhaps

(MR. G. JOHNSTON Cont'd) . . . I could redirect to him the question with respect to the lawsuit between a chemical firm and the province. Could the Attorney-General give a report as to whether it's concluded or whatever's happened?

MR. SPEAKER: The Honourable Attorney-General.

MR. MACKLING: Mr. Speaker, that particular litigation is a very complicated litigation. One of my colleagues says what isn't? That's true but there are third party proceedings, extensive examinations for discovery and it will be a long time in reaching a final conclusion. At this stage all I can say is that there have been motions made before the Court for the adding of parties, and so on, and as far as I know everything is proceeding as quickly as it can, but it is a very complicated piece of litigation.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, approximately two weeks ago an honourable member asked if it would be possible to table copies of the letter received from the Prime Minister with respect to Income Security Policy. I believe it was the Honourable Minister for Assiniboia, and accordingly, Mr. Speaker, I would like to leave with the clerk a number of copies.

MR. SPEAKER: Orders of the Day. The Honourable Member for Arthur.

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, before the Orders of the Day, I would like to direct a question to the Minister of Agriculture. In the light of the statement of Otto Lang, the Honourable Member in charge of Manitoba, Saskatchewan, Alberta wheat stated that they were backing expansion of the Vancouver port for shipment of wheat out of Canada rather than Churchill, and I wonder if he has concurred with this or if he has discussed.

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, I have had no indication of that statement. I don't know what it is about.

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

HON. LAURENT L. DESJARDINS (Minister of Tourism and Recreation and Cultural Affairs) (St. Boniface): Mr. Speaker, I would like to table a Return to an Order of the House No. 20, as requested by the Honourable Member from Charleswood.

MR. SPEAKER: Orders of the Day. The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I would like to address another question to the Minister of Agriculture. Is his department, or is the government, encouraging greater facilities at the port in Vancouver as far as grain storage facilities is concerned.

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, the Province of Manitoba has always been involved in encouraging the greater development of all parts of Manitoba.

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

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): Would you kindly call the committee on Ways and Means?

MR. SPEAKER: Order, please. The Honourable Member for Arthur. Order, please. Order please. Would the Honourable Member for Arthur place his question?

MR. J. DOUGLAS WATT (Arthur): Can the Minister tell us to what extent he has promoted the Port of Churchill, or if he is in favour of advancing the facilities at Vancouver?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, I am sure that the time of day is not one at which point one would recite all the activities of this government over the last three years with respect to promotion of the Port of Churchill.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHBRIACK: Mr. Speaker, I beg to move, seconded by the Honourable Minister of Labour, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of Ways and Means for raising of the Supply to be granted to her Majesty.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried, and the House resolved itself into a Committee of Supply with the Honourable Member for Logan in the Chair.

COMMITTEE OF WAYS AND MEANS

**MR. CHAIRMAN:** Resolved that towards making good certain sums of money to various capital purposes the sum of \$393,466,100 be granted out of the Consolidated Funds. Are you ready for the question?

The Honourable Member for Rhineland.

**MR. FROESE:** Mr. Speaker, after the response last night, or yesterday afternoon, from the Minister of Finance to what I had to say on the matter of Capital Borrowings was that I had just made a repeat performance of what I had said at the Throne Speech, the Budget Speech, and so on. Well, Mr. Chairman, I think this is necessary to repeat some of the things because of this government's policy of going into debt and when I heard the Member for Inkster last night on another resolution which he used for the purpose of discussing the very things that we had discussed on this particular resolution saying that well the member for Social Credit was just interested in printing presses of money and so on. -- (Interjection) -- Why? Mr. Chairman, I certainly felt . . .

**MR. CHAIRMAN:** The Honourable Member for Rhineland.

**MR. FROESE:** I took strong exception to that statement, and I think the Member for Inkster certainly for one who was the minister of this government for a number of years should know better than all that. We are considering capital financing of \$393 million; \$150 million will go toward Hydro and, Mr. Speaker, members well know that at the rate that we are paying off these loans is one percent a year, so this means that we are going into debt for which five generations later people will still be paying for, and I feel this is wrong in principle. We discussed earlier on another occasion the unused authorizations that are still existing for purposes of Hydro. We notice from Public Accounts for the year 70/71 that this province increased the debt on Hydro very considerably as well as to a number of the other corporations that are listed on the Order Sheet. And when you take a look at Wood-Gundy statistics as to what is happening in this province, in 1962 the contingent liabilities and guarantees for this province were 198 million. Today, or at March 31st, 1971, that figure stands at 804 million. It's a 400 percent increase and this does not include the figures of the unused authorization; this does not include the present 150 million that we are going to authorize here, so the total figure when it all comes out will be much more than one billion dollars. This is what the people of Manitoba will be responsible for, for paying back, and this will have to be added on to their Hydro bills. I feel that this is an injustice that we are perpetrating on our future generations. If we are going to impose such a debt, certainly then we should be willing to pay more for it ourselves and not just put it on future generations for many years to come.

This not only applies to Manitoba Hydro, this applies to the Telephone System because for these many years now we've every year added another 19/20 million dollars on telephone. We all know that we want better services in Manitoba, and I would agree to improving the services of telephone but I think that we should also then be willing to pay for it and not just do the same thing as we do with Hydro, adding it to the future generations of this province to pay for.

And the same rate of depreciation, or payment is in practice as in Hydro, just one percent a year. Mr. Chairman, this is much too low. Our system of repayment of our provincial debt is on a three percent. Why don't we do at least that for the utilities as well? Surely enough not all the utilities and the monies that are spent on utilities will last for a hundred years, no one can tell me that in all truth. Some of the money spent on the development certainly will be good for many years but in addition to that monies will be spent on repairs, and so on, so that we will find additional amounts added year by year for that purpose.

And I for one as a result can certainly not subscribe to what is being practiced by way of capital borrowings. I notice for instance from Capital Accounts the increases that took place as at March 31st, 1971 and we find the increases listed on Page 46 where it says: "Funds were raised for the following purposes: Manitoba Telephone System, 14,8 million; Manitoba Development Corporation, 52,7 million; Manitoba Agricultural Credit Corporation, 23,3 million; The Pas Special Area Agreement, 200,000." This totals up to \$91 million, so that in that particular year we had those amounts added, and no doubt when we will receive the Public Accounts for the year that was just concluded we will have another list of large figures added to what has already been taking place and done in the past.

Mr. Speaker, yesterday I made objections to a number of things under Capital. I didn't

(MR. FROESE cont'd) . . . . receive an answer. I do hope when we get to the bill and consider the bill in Committee that I will then get some answers and some replies. In the meantime I hope that I will be able to get some breakdowns on some of the figures because I don't feel that we did get a proper breakdown on many of the items that are contained in the resolution that we are just passing.

Mr. Speaker, as I said, I feel very strongly on the matter of going into debt the way we are doing. Governments should be on a pay as you go basis, and should not indebt the people of this province the way we are doing. And many of these monies are going to be spent for Crown corporations. The monies that we are allocating over which we will have no control once the allocation is made. This is especially true to the Development Corporation. Large amounts of money have been spent on CFI. Just what is the situation on CFI? And I think it's quite proper to discuss the item, the matter under this item, because from press reports earlier this winter the offers that were made to purchase CFI, I think, were in the neighbourhood of 28 million, yet the amount spent on it is I think closer to 90 million. Is there really that big a loss that we are taking already in this industry? Are we already facing a loss of 60 million dollars on that one industry alone? If that is the case let us hear from the government benches.

We still haven't had an accounting since the Forestry Complex went into receivership. The practice generally is when a firm goes into bankruptcy an immediate accounting is made. We have a cut-off audit made so that we know what the situation is so that when the receiver is sent in, trustees are set up in bankruptcy, so that they will know what assets there are. What is the case with CFI? To date we still haven't heard any figures on this and yet since the time that the firm went into receivership - what is it a year and a half now? It's better than a year anyway. And I feel that a proper accounting should have been made long before this and it's long overdue and I feel that it's incumbent on this administration to provide the information to members of this Assembly who are answerable to the people of this province. I am as answerable to my constituents as any of you people are to your constituents. And I feel that the government has the obligation to inform me as a member of this House of the situation so that I can tell the people of my constituency who will be backing those losses when they come on the record, so that I can tell them what the score is. The situation as it is now, we don't know, and not only is that the case with CFI, I'm sure there is other organizations and other corporations in the same way, not as much, not such large amounts involved, but certainly the policy that is being followed most likely is the same.

I am very interested in the proceedings of the CFI Inquiry; I've been following it. I've attended some of the meetings. I certainly will make it my business to find out as much as possible about it and when the report comes in, I certainly will want a full discussion at that time. But in the meantime I think we are entitled to some further information as to what is happening.

We have other developments such as the Leaf Rapids program. We are investing \$5 million under the allocation. How far has this developed and what is happening there? We will not be discussing these items under Estimates because there won't be any allocation under Estimates most likely for that project, for the Leaf Rapids project, because mostly this will come under capital. So I feel this is the time to discuss some of these projects, and I would like to hear from the Minister on this very matter. To what extent are we investing money, and for what purposes, and how are things developing?

We have the matter of the \$10 million item for the - I think it was the Churchill area, Churchill Townsite Redevelopment, \$11,850,000.00. I would like to hear from the Minister. Are we expanding the port facilities? For what is this money being spent? Is it spent for housing purposes in that area, or where will that \$11 million go into? And if it's for expanding port facilities certainly there would be a much more valid reason for spending some of that money because I believe in development of that port, and that we should be doing more for the port itself because this is our only seaport that we have in Manitoba, and I feel that this should be developed to a much greater degree and to . . .

MR. CHERNIACK: Mr. Chairman, on a point of order.

MR. FROESE: . . . the benefit the people of this province.

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

MR. CHERNIACK: I don't know whether the honourable member intends to continue at any greater length but I really believe he's out of order to be discussing in Ways and Means matters which obviously were part of the Supply portion of this resolution. I don't -- I'm not

(MR. CHERNIACK cont'd) . . . . happy to call -- ask you to call him to order but I do feel that he is taking advantage of the wrong opportunity to make the speech which he is making.

MR. CHAIRMAN: I think the point is well taken. The Honourable Member on the resolution that we have before the House.

MR. FROESE: Well, Mr. Chairman, I certainly must protest what is going on here this afternoon. If the First Minister or the Minister of Finance believes that I'm out of order, I think you as Chairman should have called me out of order and not the Minister of Finance and . . .

MR. CHAIRMAN: Order, please. The Honourable Member for Rhineland on the Resolution before the House . . .

MR. FROESE: Well if that's the case then . . .

MR. CHAIRMAN: I might also add, as I've said before -- Order, please. Order. I believe the other day I pointed out to an honourable member that it was the duty of the Chairman, also the duty of every honourable member of this Assembly that if he feels a member is out of order to draw it to the attention of the Chair. The Honourable Member for Rhineland.

MR. FROESE: Well, Mr. Chairman, are we not asking for approval of this \$393 million under this item? --(Interjection)-- Well what would be the purpose for the resolution then?

MR. CHERNIACK: Mr. Chairman, I believe the resolution is to authorize the borrowing at this stage. We already have the approval for the expenditure.

MR. JORGENSEN: Then, Mr. Chairman, on that same point of order. It would seem to me that if you're asking for the authority to borrow that similar amount, it involves the same amount of money, it involves the same kind of expenditures. And without attempting to encourage a repetition of the debate that took place, I think that it's certainly within the rules that the Honourable Member from Rhineland can discuss any of the items that appear on the Capital Supply Sheet that we have before us. I don't know how one can prohibit a debate dealing with that expenditure of money.

MR. CHAIRMAN: Order, please.

MR. CHERNIACK: Well, Mr. Chairman, could I speak to the point?

MR. CHAIRMAN: Same point of order?

MR. CHERNIACK: Yes, Mr. Chairman. On this basis that I have a great deal of respect for the knowledge on procedure of the Honourable Member for Morris, but it seems to me that when we were in Supply we were discussing the various items and the questions such as, how are you going to spend the money in Churchill, I think was right at that time under the Supply motion where each of the items were taken individually, and therefore could be discussed as to the nature of the project and the program and the justification for the expenditure. Then it is my impression, and I'm not familiar with Beauchesne, or even our own rules, then my impression is that when we go to Ways and Means now we are discussing how we go about to raise the money which Committee of Supply and the House, through the resolution, has already approved of. And I think that the first portion of the honourable member's contribution dealing with the total capital debt, and the method of borrowing, and method of repayment, I think all that comes within Ways and Means, but I don't think that this is the occasion to go back to asking for details of expenditures proposed. It seems to me that Supply was that purpose, and then of course when we deal with the bill then under second reading of the bill I think again the whole matter can be debated as to -- both questions as to how the money is to be spent, because a Schedule is attached, and how it's to be raised, and how it's to be managed in terms of repayment. That I thought would be under second reading of the bill, but at this stage I thought that all we should be dealing with is the authority to borrow, that is, how do we raise the money? Do we get it out of current, or do we take it out of long-range borrowing, and I thought that was the nature of Ways and Means. Now as I say I may be wrong about this, I've never really studied the precedent, but I did think that details of expenditure and program have been dealt with under Estimates, can be reviewed again under second reading. I don't pose that as an authority but really more of what I think is logic.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSEN: Mr. Chairman, I think I would be inclined to concur with the Minister of Finance that a repetition of the debate that has already taken place would be undesirable at this stage. However dealing in the broad aspects of the Capital Supply Bill that is before us, or the resolution that is before us, I think that the Member for Rhineland is perfectly in order to deal with the matters that he initially started out to deal with.

(MR. JORGENSEN cont'd)

Now whether or not the debate has gone beyond that point - I know we don't have a bill before us, we have a resolution. My understanding of the introduction of a resolution is that a fairly broad debate takes place at that time. Essentially the purpose of the resolution is to provide opportunities for members of the House to suggest what might, or might not, be included in the resolution before the bill is presented. That is generally the purpose. In this instance I know that will not transpire because the bill is already prepared, but in the introduction of a resolution that is generally the purpose of a debate at the resolution stage. -- (Interjection)-- No, that is not necessarily Supply. I think there's a very fine line to be drawn here, and I hope that we don't get involved in a procedural wrangle that will take up the time of the House rather than dealing with the subject matter of the resolution before us. I know the Chairman has a difficult problem in this particular instance because of the fact that under our rules we deal with Capital Supply expenditures before us and then go into a resolution stage. I often wonder what the resolution stage is for. But since we do follow that procedure, perhaps it's one of the things that maybe as a Rules Committee we should be examining to insure that the rule is clarified in that instance, but in the meantime I find it difficult to give agreement to the proposition that we now cannot discuss the items in it. I agree that a repetition of the debate as I have said before; a repetition of the debate that has already taken place, the questions and answers that have been asked and given should not take place at this stage but a broad discussion of the subject matter certainly is one that I would think would be in order at this stage.

MR. CHERNIACK: Mr. Chairman, may I just conclude my point of order on this basis that I think again that the Honourable Member for Morris has stated the broad discussion all right - questions and answers, no, and I would agree with that. Again I don't pose as an expert on the rules, and I would be happy if the Rules Committee would consider this kind of discussion we've just had in order to prevent repetitious debate; and on that basis, on the understanding that I'm not going to be expected to give specific answers to specific questions, then I will try to summarize my response to the Honourable Member for Rhineland when he's through.

MR. CHAIRMAN: I wonder if I might just draw the committee's attention to the parliamentary procedure Province of Ontario, Lewis, the definition of the function of the Committee of Ways and Means: "When the Committee of Supply has completed its consideration of the Estimates and the resultant report has been adopted by the House, the entire amount of the appropriation authorized is incorporated into an item, one item in the resolution to be presented to the Committee on Ways and Means. On this committee evolves the duty of providing the means of raising any taxes or vote of money authorized by the House." Therefore I think that the point that has been raised by the Minister of Finance is a valid one. I think that we have one resolution here; it's not the spending of the money, it's the ways and means by which we are going to raise the money. The Honourable Member for Rhineland - the Resolution.

MR. FROESE: Mr. Chairman, we have no copy of the Resolution before us so that we can really consider just the wording of the Resolution. I think this is another thing that members should be provided with because . . .

MR. CHERNIACK: On a point of order, I think that the member has the right to ask that the Resolution be read.

MR. FROESE: Well, this is what I've done on many occasions. Maybe the Chairman could read out the Resolution so that they would be known in exact what terms we are speaking of.

MR. CHAIRMAN: Right. And I might also draw to the honourable member's attention before the committee started this morning and before I recognized the Honourable Member for Rhineland, I read the Resolution out. If the honourable member was listening he would have heard. However, for his benefit I'll read it again:

RESOLVED that toward making good certain sums of money for various capital purposes, the sum of \$393,466,100 be granted out of the Consolidated Fund.

The Honourable Member for Rhineland.

MR. FROESE: Thank you, Mr. Chairman. On that basis maybe the Honourable Minister then could tell us on what basis and when and how these monies are going to be borrowed. After all, this is a point apparently that we are discussing. Will it be completely by borrowing? Will it mean that further taxes will be imposed, or what is the situation? We are not

(MR. FROESE cont'd) . . . . only borrowing money for the purposes of government, we are going to borrow as a government for the purposes of Crown corporations, and this is where I take strong objection too. I object to the original MDF Bill, Part II especially, which gives the Crown corporation the power to buy up any corporation; to buy up any business; to invest in any business; and to acquire capital as it now stands - and certainly this I am very strongly opposed to, because who knows what industry they are going to take over next.

And this is actually socialism brought in by way of the back door; that instead of doing it openly, we are setting up Crown corporations and delegating them with the powers to do these very things. And we are now subjected to borrowing monies to allocate the necessary requirements for these Crown corporations, and I for one, strongly protest to a measure of this type. I feel that we have the banks in our country to serve the people of our country; their charters were issued for that very purpose; they were given an obligation to fulfil that on the condition that they obtain a charter that they do serve the people of this country and this province - and if we have to provide Crown corporations for this purpose now, this means that they are not fulfilling their purpose. I think we should lay a charge at the feet of the Federal Government to that effect and tell them so, that our people are not getting the necessary services that we feel that they are entitled to - if that's what we mean when we set up Crown corporations for this purpose. I know that we have another resolution or bill before this House amending another Act involving the Cooperative Credit Associations Act which is a Federal Act . . .

MR. CHAIRMAN: Will the member come back to the Resolution? He's starting to stray and wander again. The Honourable Member for Rhineland.

MR. FROESE: I feel that I would be relating an aspect when I refer to that Corporation, but I shall do so at another time then, Mr. Chairman. But again I want to point out that I strongly object to what is being proposed here; that I as a member shall give - am asked to give approval to borrowing money and then giving it to a private board to do with it whatever they please; and I for one will not approve of such a situation and approve of such a request, and I therefore strongly protest and oppose the Resolution before us.

MR. CHAIRMAN: The Honourable Member for Thompson.

MR. BOROWSKI: Mr. Chairman, I'd like to make a few remarks arising out of the statements made by the Member for Rhineland. He continues to harp, and this isn't the first time, about by-passing certain monies we are bringing in socialism through the back door; and I really don't know why he keeps saying that because it's simply not true. If he disagrees with the philosophy, and I am sure he does, then he should complain about socialism period. I believe this thing is as open a front door as you can possibly get and if he wants to debate this Resolution on that basis then we can certainly debate it. We can certainly debate it, but it's nonsensical for him to suggest that somehow socialism is being brought through the back door. And in any event the people will have an opportunity at the next election to decide.

I join with him however, Mr. Chairman, about his concern about the large capital borrowing. I don't think that anyone in this House is not concerned about the vast sums of money that this government, the previous government and indeed all governments are borrowing. Surely there's got to be a limit to it, there's got to be a stop at some point of time. We only have to look across the border at the United States to find out where today they are in the same situation that Rome was - the Roman Empire - several thousand years ago. I believe that in the United States they have \$11 billion in gold and they have \$245 billion in paper floating around; and if you look at their borrowings and their interest charges, I think that it's enough for a person to flee the United States, because one day soon there is going to be a collapse like the world has never seen. And when I look at the debt charges in Canada, we are only ten years behind in facing that same critical situation. I believe the federal debt stands at around \$40 billion, \$2 billion approximately, \$2 billion in interest charges alone; and on top of that almost two billion in defence, and you find out that you're taking about 20 to 22 percent of your total budget and wasting it. How long can this continue? Our provincial debt is nothing to be proud of. I believe it stands at a - the total debt direct and indirect at around a billion dollars. We found out in Public Accounts that our total interest charges are I believe \$31 million a year.

How much longer can we continue to pile on debt after debt and interest charges after interest charges? What is the breaking point? At what point do we say that we can go no further - that our taxpayers cannot afford to carry this tremendous burden. And of course, the clever rejoinder from the politicians who borrow the money is: "Yeah, but look at the - it really hasn't increased on a per capita basis". And the gimmick there is of course that your population

(MR. BOROWSKI cont'd) . . . . increases 20,000 as it has in Manitoba; they simply take that total debt and spread it out among the people and they say: "Really it's no higher than it was under the previous government" - or two years ago or five years ago. So what they in fact are doing, Mr. Chairman, is taking this crushing debt, this borrowing and the interest charges and putting it on every child that draws his first breath of air. Every born baby is suddenly saddled with the same debt that the rest of us have - and that's quite a present to present to him on entering our society, and it's quite a heritage for us to leave to these children.

Mr. Chairman, I think that some of the things that are in that \$395 million are absolutely essential as I'm sure that the Member for Rhineland will agree, but there are others, MDC is one of them, I think that the government must surely . . .

MR. CHAIRMAN: Order. . . . come back to the Ways and Means we are going to raise the money; he's starting to stray like the Honourable Member for Rhineland. The Member for Thompson.

MR. BOROWSKI: Well, Mr. Chairman, I have really great difficulty after listening to the previous speakers, I'm kind of pre-programmed for what I have to say because it's almost like an automatic response. But this is part of the money that we're borrowing and I think that the government really should take a serious look at all those areas. I was rather amazed, Mr. Chairman, at the speech made by the Member for Lakeside the other day, where he called a particular item in there as a political slush fund of \$45 million, which I trust that the Minister will deal with before this Bill is passed. I don't know what's in it, but I'm certain that it's not a political slush fund. I'm rather amazed, Mr. Chairman, that the opposition members didn't rise in the same anger and disgust at that kind of a statement; that's a very serious charge to make against any government to say that we're going to take \$45 million and use it for a slush fund.

The Member for St. George the other day made a comment that members on that side were in the hip pockets of the insurance industry and they were awful indignant; selective indignation I call it; and they made - they put the member in a position where he had to withdraw it. And they are all very angry about that, because he said they were in the hip pockets - and the Member for Riel is a member of the board of Portage I believe, so I think the charge was justified --(Interjection)-- and Wawanesa, I think the charge was justified, Mr. Chairman. But I would ask that the members in the opposition show a little consistency when they make some of their ridiculous and outrageous charges against this government, because I can tell them if what they are saying is true there would be several of us backbenchers wouldn't be sitting here right now. I think if we are going to have a debate on this very important bill, which is going to saddle our children for many years . . .

MR. CHAIRMAN: Order. The Honourable Member for Portage la Prairie.

MR. GORDON JOHNSTON: Mr. Chairman, my point of privilege is that I didn't quite get the full import, but the Member for Thompson referred to the member for Portage as having had something to do . . .

A MEMBER: Oh, he said the Member for Riel.

MR. G. JOHNSTON: Oh pardon me. I thought you said the Member for Portage. Fine.

A MEMBER: He is a director of Portage.

MR. G. JOHNSTON: But I didn't want it to appear in Hansard that the Member for Portage was mentioned in the context that you were talking.

MR. JORGENSON: Well, Mr. Chairman, on a point of order then, surely the trend of the Member for Thompson's debate right now can by no stretch of the imagination be related to the subject matter of the Resolution that is now before us, and I just don't know how he can be permitted to continue to discuss things that have gone on on Private Members' Bills and Private Members' Resolutions and other matters and not be called to order. Surely if the rule is going to apply that a broad general discussion of capital - the purpose of Capital Estimates is to take place, then the Member for Thompson must adhere to that rule as well. I listened for some time in attempting to determine if he was sticking to that resolution and I could not find any relationship between what he was saying and to the Resolution that is now before us.

MR. CHAIRMAN: The point is well taken. The Honourable Member for Thompson, to the Resolution before the House.

MR. BOROWSKI: Mr. Chairman, if that is as the member for Morris is suggesting that there is no connection, I might say that's quite an indictment of his own side, because it was his own Member for Lakeside that talked about the slush fund of \$45 million, the same one that we are talking about now.

MR. CHAIRMAN: Order please. The Honourable Member for Thompson to the point of order - that part of discussion was in another section of the Estimates of Capital Supply altogether. We are now in Ways and Means of raising the money. The Honourable Member for Thompson.

MR. BOROWSKI: Mr. Chairman, first of all I'd like to clarify for the Member of Portage that it was a misunderstanding - when I talked and I said "Portage". I was talking about Portage Mutual and not referring to the Member of Portage, let the records show that. --(Interjection) -- Well maybe it's Wawanesa, whichever one it is that --(Interjection)-- Well, Mr. Chairman, for a party that will stand up in this House and accuse this government of building up a \$45 million slush fund, I think he's lost a . . .

MR. CHAIRMAN: Order, order please. The Honourable Member for Thompson to the Resolution, and I'll read the Resolution again:

"RESOLVED that towards making good certain sums of money for various capital purposes, the sum of \$393,466,100 be granted out of the Consolidated Fund." The Honourable Member for Thompson.

MR. BOROWSKI: Well, Mr. Chairman, if you would tell that windbag from Morris to quit interjecting, maybe I could stay on track.

MR. CHAIRMAN: Order.

MR. BOROWSKI: He keeps throwing me off.

MR. CHAIRMAN: Order.

MR. JORGENSEN: Mr. Chairman, . . . I say that calls for a withdrawal on the part of the Member for Thompson. He knows what the rules are. I know that his capacity to learn is very slow, but he's been in this House for three years and he knows what the rules are; and he knows the things that he can say and cannot say, but he persists in breaking the rules, and I ask that he withdraw that statement.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, when the Resolution says "making good", I think this involves a large area; because certainly some of the things contained in the Resolution are not so good, so that it leaves a lot of room for discussion.

MR. CHAIRMAN: The Honourable Member for Thompson.

MR. JORGENSEN: Mr. Chairman, I insist that you ask the Member for Thompson to withdraw that remark.

MR. CHAIRMAN: The Honourable Member for Thompson.

MR. BOROWSKI: Mr. Chairman, on the same point of order, if it's all right for me to rise on a point of order. The member has accused me of deliberately breaking the rules, and I think that's an unfair imputation. If I do break the rules, Sir, I was taught by people like him who is a master at breaking rules in this House and he's got the incredible gall to get up here and ask me to make a withdrawal after some of the outrageous charges his donkeys have made in this House.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSEN: The rules of this House are very clear. The honourable member knows what those rules are, and he should be either asked to withdraw his remarks, or to discontinue them.

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

MR. DESJARDINS: Mr. Chairman, on this same point of order. I don't know why the honourable member can't compare members to windbags when on -- from the other side, especially the Member for Morris is always comparing people here to either Marilyn Monroe, or to a little red hen, or something like this. If you're going to make a comparison the rules must be the same all across the House.

MR. CHAIRMAN: The Honourable Member for Sturgeon Creek.

MR. FRANK JOHNSTON (Sturgeon Creek): On the same point of order. I don't think the word "comparison" is the same as making a direct accusation in this Chamber. If we want to say somebody is acting like Marilyn Monroe, or is talking like a windbag, or something like that, but direct accusations are not within our rules.

MR. BOROWSKI: Mr. Chairman, I don't have very much to go here. It's obvious that . . .

MR. CHAIRMAN: Order, please. I am looking in the unparliamentary expressions and I don't find . . .

MR. JORGENSEN: . . . in the House are to be addressed as honourable members, not as

(MR. JORGENSEN cont'd) . . . . . windbags, not as windbags, or donkeys. That is a pretty standard rule in this House and it is observed by most members except the Member for Thompson.

MR. CHAIRMAN: The Honourable Member for Thompson. On the same point of order?

MR. BOROWSKI: On the same point of order. I believe that the Member for Morris is absolutely correct. I am really sorry. I should rephrase it and say he's an honourable Tory windbag.

MR. JORGENSEN: . . . not pursue it. Considering where it comes from, I will take it just as it comes. I understand the Member for Thompson; his complete incapacity to abide by the rules of this Chamber, and we'll have to accept that I suppose from him.

MR. CHAIRMAN: The Honourable Member for Winnipeg Centre.

MR. J. R. (BUD) BOYCE (Winnipeg Centre): On the point of order. I'm sorry. I'm getting a little tired of the pomposness of the Member for Morris.

MR. CHAIRMAN: Order, please. Order. The Honourable Member for Winnipeg Centre.

MR. BOYCE: I would just like to draw his attention to how he voted last year when another honourable member of this august Assembly called one of the members a gutless dictator and how they voted on that particular occasion.

MR. CHAIRMAN: Order, please. Call for the question on the motion. The Honourable Member for Churchill.

MR. BEARD: It's now official, Mr. Chairman, I can call you a windbag, is that right?

MR. CHAIRMAN: I beg your pardon?

MR. BEARD: An honourable.

In getting back to the resolution, Mr. Chairman, before ruled out of order. I have one or two thoughts that I'd like to place on the record, and one or two questions that I'd like to ask the Minister to clarify. One would be in looking through some of these figures, particularly the one at Churchill which is 11,850,000.00. I understand that that would be 55 percent Federal monies, and I would wonder why the whole amount is included in this particular portion if that is the fact. Now granted it may be offset in some other area, but I'm just wondering how, or how much would be offset in other areas which we look at, such as universities or community colleges, etc. The Member for Thompson had a problem, or expressed one, and I think he said that babies were born with crushing debts today but I think that we must also look at it as they're born with a lot of goodies that they inherit. So I think that you could say that one offsets the other, and when I look at the way that things have improved over the years I think we must take into consideration the public debts as we are faced with them from time to time. And I'm not standing to defend the Minister of Finance, I'm sure he's quite capable of doing that.

Some thought has been given to the 45 millions of dollars, the Member for Lakeside suggested it was a slush fund. Other members have said it was a political fund put aside to win constituencies, while I would go on record that I would certainly love to see the government spend 45 millions of dollars to win the Churchill constituency, I would welcome them to spend the money in that area. And that would relieve the other 56 members of that concern. --(Interjection)-- I am talking about election time as far as the Member for Radisson is concerned.

Now then we get to the point where once in a while somebody gets up from southern parts of the province and becomes concerned about the monies that are being asked to be raised for the development of northern parts of the province, Mr. Chairman, and there is an emphasis at this time on that, and I think I am within the bounds of the debate when I refer to that part of this monies that have to be raised for this. And I don't think we have to come with cap in hand at this time in respect to this money. I don't think there's anybody in this House that has not said that they've got to develop the north. I think they've all used it at one time or another for political purposes, and for their own political advancement. And they've got to accept the fact that these things have to be paid for. Just as the north accepted the fact that they have had to do without for many years to pay for the many amenities that the south have now, and have had for the last 100 years. So let's face it, it's bringing not improved conditions over and above what the south have.--(Interjection)-- for the last 50 years, for the last 25 years, for the last ten years, or the last five years. But, Mr. Chairman, whatever number of years it is I don't care, but as long as there is an imbalance, and as long as the monies that are asked for in this loan bring about an equity in living in this province

(MR. BEARD cont'd) . . . . as a whole. I'm not ashamed to support it. I'm not ashamed one bit. And I'm not ashamed to pass it along to the children that come after because they will enjoy, they will enjoy the fruits of it. And if there is a proportion that is being spent for the development of the north it isn't for those that are living in the north now, it is for those that are living in the Province of Manitoba that want to take advantage of the north, or the revenues that are derived out of the development of the north. Because certainly governments are looking for revenues in the northern parts of the province. So I don't think that you can say that there isn't a selfish -- I think that's maybe a cruel word to use, but there is a reason for investment in the north. Certainly it is one that governments feel, I suppose, whoever would be in power that they should look after all Manitobans wherever they live. But I pass along congratulations to any government that would invest in all areas of the province and make sure that everybody is working on the same basis.

I think that a lot of these, and particularly in the north, are what we would call self-liquidating debts. The investments in the north will pay for themselves; they're user debts. The ones that are being used for Manitoba Hydro will be paid by the people of the Province of Manitoba whether they live in the north or whether they live in the south, the same as Manitoba Telephone System; the Water Supply Board will be used; the money will be used, and repaid by those who take advantage of some of the programs that they have.

Agricultural Credit Corporation boards are those that people take advantage of. But the monies as a whole grouped together look to me as if they're ones for the economic development of the province. If the government can get that money at the cheapest possible rate then that is what we are looking for. I stated the other day that I thought that if it was bond issues - and I still feel that in some way I think Manitobans and Canadians should be given the opportunity of buying those bonds on a preferential basis. Then I get hung up on what we should do if we can get it at a cheaper price on the international market. But I wonder at that. I wonder at that, Mr. Chairman, because those who pay the piper call the tune, and all too often on whether it be a debenture, or a bond issue, whatever it may be, we really have to be concerned about the dollar value, or the change in the monetarial value five or ten years hence, and that is the problem that we face when we go outside the borders of Canada - and the Member for Thompson again referred to that a little during what he was saying. I think that that is one of the concerns I believe when we place the financial concerns of the Province of Manitoba in the hands of those that are outside the province or Canadian borders.

And I suppose there would be a suspicion, and I say this with tongue in cheek, but if a country or financiers took a sizable loan then one maybe could say if he was irresponsible then would they be able to put the pressure on a government to buy in preference in their country rather than somebody else because of the loans, or the bonds, or debentures, that that country picked up. You're in the marketplace and you go by the laws of the marketplace, and sometimes you can fall into the pitfalls that are set up for you, the traps. But every government does it, and every country does it. So I suppose I am out of step with the financiers and the economic developers of governments.

I would hope that when it comes to resources or resource development that really the development of, or the production of bonds, or debentures, could be put in the place of Manitobans and maybe some way that in the future an equity could be brought along with those debentures which would be a new approach to entice people to invest in their own province. Thank you.

MR. CHAIRMAN: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, I will certainly try to generalize as the rules allow and I would say that I do not agree with the Member for Churchill when he says that he doesn't mind passing on a large debt to the people who -- or children that come behind us. I'm more inclined to agree with the Member from Thompson on that subject because I think it's very well known what happens to any organization, any municipality, city, or province that has, too, more debts than they can afford. It means cutbacks, and it means people that come into that situation are deprived of many many things. It's a long hard struggle of being deprived of many many things, when you get yourself into a situation like that because the cure usually has to be very drastic. My concern about the overall capital budget is exactly as has been expressed by others, is that we are going to get in too deep, and also my concern is is that the capital budget is not what I could call completely capital. It's not a case of this budget doesn't show that we are living within our means regarding this capital budget. When we get breakdowns of some of

(MR. F. JOHNSTON cont'd) . . . . the figures that have been presented before us by the Minister we see a list given to us by the Minister of adding in cases like Public Works or Health. Public Works 18 million, Health we have a tremendous budget in our Estimates at the present time and there is a set aside of money to the tune of \$12 million that may be expended. Now, that is not good financing in any way, shape or form. The 45 million that is referred to in the section of the budget is doing that. You are basically adding to your estimates this amount of money, and frankly I think a lot of it should be in the estimates than in the capital side.

There's many figures here that are justified but I'm wondering also about the overall concern there will be to the province when we have programs of public housing which mean that you are going to subsidize for many years, you are going to have to maintain them, and these are all expenses that if we carry on spending capital like we have in this capital budget, you will be in a situation of having maintenance costs and you will have a situation of subsidized rents, or subsidized anything, when you get into that. And that, Mr. Chairman, will add up to many millions of dollars which have to be found by this province. So really the capital budget as we have presented to us is basically saying the Province of Manitoba is, well I believe it is basically saying, we are not living within our means, we are setting aside large amounts of money in certain areas of this list of capital that may or may not be spent by departments and certainly we have a build-up of costs by which are going to come because of some of these capital items that we have in here. You're building future costs by making these expenditures at the right time. It's not a good foundation to grow on. I'm not one who wants to go backwards in any way, shape, or form, but I want to go forward on a real firm foundation as far as the province is concerned so that in another five or six years from now we are not in a financial position that will mean cutbacks continually.

The item of \$6 million that wasn't spent last year. I don't believe that this is - that you say you don't spend it, you are going to have it this year. I don't really agree with that type of financing because at the end of 1972 or 73 if we have money left over, we are saying okay we'll spend it next year, but you are setting it up this year. And this province will absolutely, would absolutely turn down any city or municipality that tried to set up a situation where they may or may not spend the money and by municipal law if you have money left over you're finished, you build a new budget. But this is not going to happen with this. You are going to have a situation where you are looking to an area of complete limbo, maybe we'll spend it and maybe we won't.

As far as the roads are concerned sure if we have to go into a work program and we need this money, I would hope sincerely that the ones that we do go into are not just found overnight but are on the plans of the road schedule that has been previously presented to us.

But we are not doing the right thing by having a tremendous amount of what could be called operating very easily. In fact it can be called that easier than it can be called capital.

I don't know how an extra \$12 million set aside for the Department of Health and Social Welfare just might be called capital unless you are going into social welfare buildings, or something of that nature.

So really I don't think that this capital amount that we are asking for at the present time is entirely capital. It is a wrong move and you also are setting up a situation of many more expenses.

MR. CHAIRMAN: Order, please. Would the member please come back to the resolution.

MR. F. JOHNSTON: Mr. Chairman, I am referring to some particular items, as the Member from Churchill did, and as the Member from Thompson did, and I am trying to be very general with the whole Capital Estimates, but, really it was the Minister himself who gave us a list of items that would be set up in other departments. So, Mr. Chairman, as I said, I only say this that it is not all capital and we are doing the wrong thing by increasing this debt. And again I say don't get yourself in such a mess that you are in trouble or there will be a lot of people suffer in this province.

**MR. CHAIRMAN:** The Honourable Member for Birtle-Russell.

**MR. GRAHAM:** Mr. Chairman, the Member for Churchill raised a very interesting point. I would ask -- and support him in his request from the Minister to give us the assurance that the borrowings that are going to be made, and the money markets that he visits, will not in any way place this province in a position which in a few years might cause us some embarrassment and affect us in the long term range.

And in particular I would like to ask the Minister how much, and to what extent the utilization of the Canada Pension Plan has been used in Capital Supply, and how much, if any, has been used in Current Expenditures. I think that the use of the Canada Pension Plan for provincial financing should be fully explained to the House by the Minister and in view of the questions that are being raised in the Federal Government today and the state of fluidity and uncertainty that exists. In fact in the long term validity of the continuance of the Canada Pension Plan, and the possibility it might be exchanged for something else, what position would the province be placed in by the Federal Government calling the borrowing that exists at the present time by provincial governments on the funds of the Canada Pension Plan. And I would ask the Minister to explain in a fairly detailed manner what use is being made of those funds by the province?

**MR. CHAIRMAN:** The Honourable Member for Rhineland.

**MR. FROESE:** Mr. Speaker, after hearing some of the remarks of the other members I certainly want to make a few more comments before this item is passed.

We are dealing with the matter of borrowing and actually if you added the current estimates that we are discussing in this House of \$575 million to the figure of \$393 million, you get a net total of \$968 million, and actually that's what our budget is for this year. It's not just the amount contained in the estimates, it's the total figure that this government plans to spend current and capital and the amount of capital naturally will be borrowed money. This indicates that we are living way beyond our means. That we are not willing to pay our way and when the government charged the Opposition earlier this session with having a weak opposition, Mr. Chairman, I for one am going to speak out very strongly against the government and the matter of borrowing and the matter of borrowing capital the way they do, and intend to do. I for one will not be listed among the ones as being a weak opposition.

When we talk of expenditures, and especially of the public sector, this means that we are creating a debt on the people of this province, and we are imposing it on them. It's not one thing that they accept voluntarily, so we have to differentiate between private investment and public investment. Private investment is being made voluntarily, and people borrowing money do this so voluntarily on their own; but when it comes to public investment and the monies that we are being asked for here, this means that we are imposing on them and this is not something that they want to have voluntarily.

Another matter that I want to drive home to this government is that they have no mandate to borrow this amount of money. They were not elected for the purpose of enslaving future generations to the tune of a billion dollars in this province. I am sure they had nothing in their program and their platform telling the people of this province that we are going to enslave you, and that we are going to borrow millions and millions of dollars of money which you are to pay for in the future. Just let them get up and tell the people of the province that they gave concurrence to this.

**MR. CHAIRMAN:** . . . echoes in the Chamber that don't belong to the honourable member. The Honourable Member for Rhineland.

**MR. FROESE:** Yes, Mr. Speaker, we are putting a crushing debt, as the Member for Thompson says, on the people of this province, and we have no right to borrow all that money to go into debt to the extent that is being proposed here this year.

I would like to mention another matter and that is that we in doing so will have a large interest load placed on the people of this province. Why don't we ask the Federal Government to provide this money to us interest-free. The Government of Canada is doing this for other countries. Large loans, \$50 million and more, interest-free for periods of 50 years and more. This is being done by the Government of Canada through the Bank of Canada for people in other countries. Why can't we do the same thing for the people of this province? Why is this government sitting back and doing nothing, taking the attitude that things cannot be changed. Certainly I don't accept this; certainly this should be one thing, a prerogative of this government to see that this is changed and that the Government of Canada provide the money for us just as well as they do for other people in other countries. We should not be saddled with this large interest

(MR. FROESE cont'd) . . . . debt for the next 100 years as it will be now under what is being proposed in this resolution. A hundred and fifty million for Hydro which will be paid off over a 100 year period. This means that interest will be added on for this 100 years and the people of this province will be paying interest for the next 100 years on the authorization that is made in this House this very date, and I for one do not accept it and I will oppose it to as much as possible. — (Interjection) -- I am not opposing everything, not by any means, as the Member for Point Douglas says. I am for development; I am for development of our natural resources. Look what the Social Credit governments in other provinces is doing. And if the member doesn't know, certainly I would be quite happy to discuss this with him and tell him how much revenue the Houses of those governments are receiving from their natural resources so that the people pay much less in taxes in those provinces than we do here in Manitoba. And if the Member for Point Douglas wants to have more information I can supply it to him whenever he wants it.

We under the federal legislation have allowed the private investment, private enterprise, the chartered banks of this country, we have given them the right to enslave the people of this country. This is what is happening. Why don't we use the Bank of Canada for the purpose that it is intended, for the purpose of providing the necessary capital to the people of this country, interest-free for that matter.

MR. CHAIRMAN: Order, please. The member is becoming repetitious.

MR. FROESE: No it's not being repetitious, Mr. Chairman, because . . .

MR. CHAIRMAN: Order please. I said that the member is becoming repetitious, and I have already heard that debate. The Honourable Member for Rhineland. Order, please.

MR. FROESE: A moment ago . . .

MR. CHAIRMAN: We can do without the echos and I wish little Sir Echo if he wants to make noises would go out in the hall and do so.

MR. FROESE: A moment ago I discussed the matter of the Bank of Canada, that it should be put to use for the provinces, and that we needn't go to the chartered banks which created credit out of nothing, and then charge enormous amounts of interest. The banks in this country could operate at less than one percent and what are we paying them, six, seven, eight and more percentages. This is needless. Why should we have such large revenues accrued to them when we as people find ourselves in such an economy where we cannot afford to pay our way and develop our country properly. This government in borrowing is going to other countries. Why? Why did they have to go to Germany to get the Deutsche marks . . . After all this was a defeated country not too long ago and now we as one of the proud countries are going to them on our knees and asking them for money. Surely enough this shouldn't be necessary. We as one of the wealthy countries of this world should be able to provide our own capital, and we have the machinery setup, and we have the resources to do so. We should not be called on to go and borrow outside our country and pay the interest and the profits to those countries.

Mr. Chairman, another matter that I take exception to is that by this very resolution we are borrowing money for corporations to lend to other institutions and other people. What we are doing we are guaranteeing private loans, and if ever there was discrimination it's discrimination practiced by this government in doing so in guaranteeing the loans of certain people whereas other people are not being granted the same opportunity, and are not given the same privilege. Yes, you are guaranteeing loans because when the government borrows money for the Development Corporation, this is something that we are borrowing for that Corporation and guaranteeing the people of this province that those monies that we are borrowing will be repaid even if they are handed over to the Development Corporation. So what we are doing we are guaranteeing these monies and we are practising discrimination; because those monies will be made available only to certain people; only to certain groups, and therefore they are not available to all the people of this province.

Mr. Chairman I could go on and on on the many things in connection with this particular Resolution. I have before me the Canadian Statistical Review to which the Doctor referred to in the Economic Development Committee Meeting the other day -- who is a special advisor to this province, to this government -- and we find in there the many figures and finances and so on, the weekly salaries in Manitoba have paid, \$128.00, which is much more than some of the other provinces. And we are piling up debts whereas they have much less in debt to pay, so that our citizens with less income will have to pay more and more debt and more and more interest.

(MR. FROESE cont'd)

Mr. Chairman, I oppose the Resolution most strongly and most vigorously, and I do not accept borrowing on the future generations to come -- and that they will have to repay for one hundred years from now.

MR. CHAIRMAN: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Chairman, I have listened carefully to all that has been said this morning and I do propose to respond; but I think in order to move along I will defer my comments until I introduce this Bill for second reading. That way we can move out of committee and into first and second reading, and then possibly within three minutes I can deal with the second reading of the bill. Therefore Mr. Chairman, I move the committee rise and report.

MR. CHAIRMAN presented the motion and after a voice vote declared the motion carried.

MR. JORGENSEN: Mr. Chairman, on the point of order, the Member for Rhineland indicated that he wanted to oppose the Resolution. I think at this stage according to our new rules, if a recorded vote is not taken it should be recorded that the Resolution was passed on division and I think the Member for Rhineland then would have the right to get up and say so -- the Resolution passed on division.

MR. CHAIRMAN: Resolution passed on division. (Agreed) Committee rise, Call in the Speaker.

Mr. Speaker, the Committee of Supply has adopted certain resolutions and directs me to report the same and asks leave to sit again.

#### IN SESSION

MR. SPEAKER: The Honourable Member for Logan.

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

MR. SPEAKER presented the motion and after a voice vote declared the motion carried. (on division)

MR. FROESE: Mr. Speaker, on the point of order, I think these motions are moved and seconded and we should have a proper vote.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I beg to move, seconded by the Honourable the Commissioner for Northern Affairs, that the Resolution reported from the Committee of Ways and Means be now read a second time and concurred in.

MR. SPEAKER presented the motion.

MR. CLERK: RESOLVED that there be granted towards making good certain sums of money for various government purposes the sum of \$393,466,100 be granted out of Consolidated Fund.

MR. SPEAKER: All those in favour . . . ?

MR. JORGENSEN: Did not the Minister of Finance indicate that he was going to introduce the Bill on second reading or have we reached that stage as yet?

MR. CHERNIACK: If this passes, then I can bring it in for first reading, distribute the bill, and then second reading.

MR. SPEAKER put the question and after a voice vote declared the motion carried.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK introduced Bill 16, an Act to Authorize the Expenditure of Monies for Capital Purposes and Authorize the Borrowing of the Same.

MR. SPEAKER presented the motion.

MR. SPEAKER: Is it the wish of the House to adopt the motion? So ordered . . . The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I take exception to calling for a vote of that type so that we cannot respond in the negative.

MR. SPEAKER: I accept the point that the Honourable Member raises, and I should like to indicate this was discussed in Rules Committee. I intended to help expedite the matter -- and any time the Honourable Member objects, if he does so, I will say "on division" unless there is an overwhelming negative vote which will be demanded by the members. If there is any objection by the House to this procedure I'll go back to the old procedure -- "on division". Very well. (Agreed) The Honourable Minister of Finance.

MR. CHERNIACK presented Bill 16, an Act to Authorize the Expenditure of Monies for Capital Purposes and Authorize the Borrowing of the Same for second reading (By leave).

MR. SPEAKER presented the motion.

MR. SPEAKER: Is the House prepared to adopt the resolution? The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, as I indicated I will attempt to respond to some of the statements and enquiries made this morning. I'll try to be as brief as I can, although I know I have fallen into the habit of speaking a little too lengthily. As I understand it, after second reading passes we will then move into Committee of the Whole in order to consider this Bill section by section. So let me only state that I have reviewed the bill, compared it with last year's bill; it's in the same form largely, the only addition is the provision for the guaranteeing of the loans which are shown as Schedule "B" which apparently requires some additional wording beyond that which we were required to last year.

Now, Mr. Speaker, I want to comment on some of the remarks made and I'll try to consolidate them in some way. Firstly, I would like to tell the Honourable Member for Churchill that I have learned to listen when he speaks, because he usually does not speak unless he has something to say. I don't always agree with what he has to say but it is still worth listening to and must be responded to. In this particular case this morning he said that he's not there to defend me, but because -- I think he said I don't need defending, but let me assure him I need all the help I can get and I certainly welcome the comments that he made on long range borrowing and on -- well, he spoke before the Honourable Member for Rhineland used the word "enslavement" and that kind of language; but certainly I think he responded very well and therefore I don't intend to repeat much of what he said with which I agree.

Now he raised one point which was seconded by the Honourable Member for Birtle-Russell, and that is the fear that the . . .

MR. SPEAKER: Order, please. I believe honourable members are aware that the Mace is on the table and consequently there are no cigarettes to be smoked at this time. The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, the point was raised that there might be the danger that he who pays the piper calls the tune. I would like to indicate that in borrowing the contract is set in such a way that it is clear cut; that the only powers that a lender has is to see to it that the money is repaid in accordance with the contract, and therefore I don't see any possibility whatsoever that we could fall into the hands of some malevolent lender who would then try to dictate to government how it operates.

The one point raised by the Honourable Member for Churchill was that they might be pressuring; that in a country which lends there might be pressure to buy or pressure to comply with that country's requirements that might be unfair to the province. And I only have to say to him that we find ourselves in the situation where we are constantly being approached in order to borrow money in various jurisdictions; and actually from what I can gather it is really for us to decide where it is most advantageous to borrow and not really for the lending institutions to make that decision -- and part of the expansion of our borrowing opportunities means that we create greater competition, and that of course improves the rates and the conditions of repayment.

But I might show that the contrary is often the case. When I visited Japan with the Chamber of Commerce mission to Japan about two years ago, I had occasion then to speak to people in influence in Japan, pointing out that at that time we were making very massive purchases from Japan -- and yet I had to go from Japan to the United States in order to borrow money with which to pay for the purchases that Hydro were making from Japanese concerns, and I expressed regret that we weren't at least being funded by that country and its people from whom we were major purchasers. The result is that had I been free at 11:30 this morning I would have been able to meet with a group that came to visit Manitoba, a fiscal agency group from Japan, which was here actually trying to arrange that we expand our opportunities by borrowing in Japan. I think that's very healthy, and let me indicate that there is every intention on our part to see if we can drive a hard bargain and bring beneficial returns to Manitoba by borrowing in Japan.

Again the terms are those that we agreed to and that means that there are no strings attached which would be adverse to us. The only danger that was raised by the Member for Churchill is the question of revaluation and that of course is one where you have to measure the rate you pay against the possibility of adverse effects from these revaluations. Short term loans therefore have to be really good in order to incur and accept the risk. Long term loans

(MR. CHERNIACK cont'd) . . . . then can be calculated on a more secure basis, and if you borrow for say 15 years you've got -- one thing you've got going for you and that is the constant inflationary trend that happens year by year whether you like it or not, which means that in 15 years we will be paying back dollars that won't be 100 cent dollars in relation to the time we borrowed.

The other factor of course is that over 15 years if you have a one percent interest rate differential; that is if you are paying let's say 6 1/2 percent compared with having to pay 7 1/2 percent elsewhere or in Canada, then you've got a total -- an accumulated 15 percent benefit over 15 years, which really does make the risk of revaluation much less of a danger. But that of course is a problem he raises and I agree with him, it is a problem.

Well the Member for Sturgeon Creek made the speeches about -- he doesn't want to go backward but he doesn't want to go forward, but he wants us to stay within our ability to pay; and I say we are staying with our ability to repay. The one thing I didn't understand was he says that we are encouraging future maintenance costs and upkeep, and he spoke about subsidized rent -- and I'm not aware that he or his Party have opposed our taking advantage of CMHC lending in order to go into a massive housing program. If we build hospitals, of course there are maintenance costs; if we build schools of course there are maintenance costs; whatever we build invites maintenance costs. I have not heard any disagreement with the need for government to supply such needed services to Manitobans, so that I can't see that he had much of an argument on that basis.

He did talk about what is capital and what is current and that is a problem that I tussled with over a number of years; and I have gone back to see how it is handled in other provinces and indeed how it's been handled in this province. For the last ten years I made a rather detailed study, and I can tell the honourable Member there is just every way possible that has been used in the past and by other governments where they feel that in a time when it's necessary for the expansionary budget to take place; where they do call some thing capital and at another time might have called it current. The previous government did that with university construction; they did that with highway construction -- it's really a matter of judging the state of the economy and whether there is a need for expansionary measures or otherwise; and we are doing that, and it's not inconsistent with other jurisdictions and the previous government's approach. Now certainly we hopefully look forward to times that we will be able to have monies coming in to current revenue that will be able to accelerate repayment of debts; but we are certainly in no situation that creates any real cause for concern, although the problem is there and I recognize it.

The Honourable Member read from Wood Gundy's statement. I don't have it before me but I know that he read the accumulative total; but he did not read any sort of comparison, which is in the report, with other jurisdictions -- and there Manitoba still stands in the same position which it has stood in for a number of years, and I forget whether it's third or fourth in the lowest per capita. Now the Member for Thompson talks about per capita, but that is one yardstick. But if we talk about the economy moving and the debt accumulation we are in the same stream as we have been for many years in the stream comparative to other jurisdictions; and I think the Wood Gundy report is one that I would welcome all members to read because it shows Manitoba, I think, in a favourable position in many respects. Now I'm not going to refer much to the accusation of a slush fund; I think it was made at a time of enthusiasm on the part of a member who was anxious to get up on his feet and flay his arms and flay his words. He may -- I don't know if he means it or not but to the extent that he meant it I told him yesterday that that may be his thinking and his approach but not ours and I reject any such thoughts as I did yesterday.

The Member for Churchill did ask a specific question about the Churchill Townsite Redevelopment eleven, close to \$12 million. We are advised that we are required to raise the total authority to complete the redevelopment; but it is indeed cost shared with the Government of Canada but we have to spend the money and then bill Canada for its share, and therefore, we need the authority for the total project and then we collect back the share paid by the Federal Government. As to the program itself I'm not sufficiently familiar with it to speak of in terms of percentage of cost sharing. I think there's a variable in there; depending on the nature of a portion of a program there may be a higher contribution than in the case of other programs. Unfortunately, I think the Minister involved was present at the time of the supply review, but he was not present at this time and therefore could not deal with it -- and actually I think there were several Ministers involved and possibly during the Supply debate we will still be able to

(MR. CHERNIACK cont'd) . . . . . give him more particulars, but I am unfortunately not in a position to do so now.

The Member for Rhineland spoke about Canada's foreign policy and its decision and program to lend monies, he says, interest free to other countries. Mr. Speaker, I don't know whether the Member for Rhineland wants to call Canada or Manitoba an underdeveloped country. I don't think he wants to say that we should pay no attention to those areas of the world which are in much greater need than we are. I should think that his whole background and training ought to be one where he would agree that we in Canada with the high standard of living that we have should be prepared to help other countries to develop their own economy so that they can improve their standards. To the extent that there is any percentage relationship between what Canada is doing in that field and what we are doing in all other areas within Canada, I should think that we are not doing very much to make a contribution as citizens of the world not just parochial citizens of Manitoba. Therefore I reject his concept entirely on that respect. The Honourable member now tells me that I know that that was not his argument, I have to tell him only that I honestly believe that that is what he was attacking, and if I was in error then I can only attribute it to either the difficulty with which I have of understanding him either because he doesn't put it across well or I don't have the ability to absorb the contents of what he is saying.

Now he spoke about CFI accounting; I don't think it's relevant to this Bill but there probably will be opportunities to speak on that at the time of the Estimates of the Minister responsible for it and no doubt he will participate then. The extent to which we speak of that is a different question because the court actions that are taking place now are of such complicated nature that I'm sure nobody really has a full and comprehensive view of what is really happening in CFI. May I say again, also in relation, he mentioned Leaf Rapids Estimates, that too is properly dealt with under the Department and the Minister in dealing with his Supply Estimates.

Now he complained about the lack of a detailed review, Mr. Chairman -- Mr. Speaker -- I call you Chairman because I was thinking back to just yesterday when we were dealing with these items in Supply and there were a number of details asked for; there were answers given, I think I tried my best to give all the information which was asked for and the honourable member had every opportunity for even a more detailed review than he had himself. So that I'm not concerned about that, and therefore I want to talk about our borrowing.

The Supply Bill, or rather the Capital Supply bill that we are dealing with has three schedules that appear at the back of the -- as schedules to the bill itself. The first section is for self-sustaining or repayable amounts, some close to \$300 million. Schedule B is guarantees only, there is no need to raise money for that; they are guarantees given for -- and the Member for Rhineland said, why isn't there something there for southeastern Manitoba? And I only have to say to him that these are municipalities that applied to the Federal Government for advances for specific projects and we are guaranteeing them. If a municipality anywhere in Manitoba were to apply for a project and be accepted by the Federal Government we would guarantee them as well. So Schedule B relates to guarantees only; and Schedule C, a total of some \$92 million is what we would call a debt on the Province of Manitoba which is not self-sustaining but is actual debt, what some people refer to as dead weight debt and I know these terms are also not at all clear. As far as the borrowing program is concerned we have some \$150 million which is available to us without going on the market. The Canada Pension Plan will provide us in this year an estimated \$56 million; Central Mortgage and Housing Corporation will provide some \$56 million; the guarantees I've referred to of course are not borrowing, that's \$12 million; there are other federal loans and other sources internal where we would raise some \$25 million, totalling about \$150 million. We have already negotiated loans which total some, just over \$100 million; and our program, if we were to go to the market for everything that we can foresee that we can possibly need -- and normally you don't have to borrow as much as you can foresee -- the balance would be some 150 to 175 million dollars. I'm assured that that does not show up as any real problem for us.

The fact is that when I announced yesterday the loan made in Switzerland, it was made -- we are not really in need of cash -- but it was made because the loan was really advantageous and the consortium came to us and made us the offer and we took it up; but it's at such a rate that is better on a five-year basis, better, much better than we can get in Canada. The same applies to the deutsch mark loan which I announced the day before, but which was as I

(MR. CHERNIACK cont'd) . . . . . previously explained a rollover of monies borrowed by my predecessor the Honourable -- well, Mr. Gurney Evans -- who made a short term loan of deutsche mark and now we have funded it on the capital market, on the public market in Germany. Now I'm assured that there will be no problem -- the Honourable Member for Churchill is out of the room for a moment, but may I say that at every time and in line with what I said earlier this morning about the Bank of Canada, we are always consulting of the possibility of raising monies in Canada first and foremost. When we feel that the Canada market is becoming somewhat strained we then look to the U. S. market which is our major secondary source; and I did announce in the introduction of these Estimates that we have a new group of fiscal agents in New York which are now the envy of many jurisdictions because of the program we have developed with them, and we should have easy access to the extent where they too are pressing and saying, when are you ready to come? With us it is honestly a question of how soon do we have to go to take advantage of the market, because our funding is such that we are in no great need of money and all we want to do is to pick and choose the right time that we can go and borrow. So I have every assurance that the borrowing is not a problem.

But members opposite have raised the question of repayment, and they talk about -- and the Member for Thompson -- talking about the danger of imposing debt on future generations. Well the Member for Churchill I think made it very clear that the imposition of debt such as we are talking about carries with it a tremendous boon to the unborn generations, who will be much further ahead than were the generations already born and the generations preceding us in terms of opportunities to learn; in terms of opportunities to be healthy; in terms of opportunities to live a longer life and a fuller life and we -- and not this government but all the preceding governments have worked towards it.

The Honourable Member for Lakeside spoke about Mr. Campbell as being the person who stimulated rural electrification and that's so true. And without rural electrification and borrowed monies to finance it we would not have the standard of living that we have now. It doesn't mean that everything's great; we're all working towards better improvement but certainly the generations yet to come -- if only the world would be at peace and their lives would not be endangered by some sort of holocaust from outside -- future generations have something to look forward to that we didn't have and certainly our parents didn't have in this country; and I don't for a moment apologize to the future generations for the debt that they are being asked to carry. If they are going to have to pay for the schools in which they will be educated; if they are going to have to pay for hospitals which are being built for their health; if they are going to have to pay for the roads and the systems of communication and the power that is needed to make life worthwhile, then that is something that they I am sure will welcome. I don't know that anybody here has attacked previous governments for the fact that they have carried forward with economic development and development which would help the people of Manitoba. I have no accusation to make against previous generations; I have more than that -- I have appreciation to the previous generations who ran the government of this province and of Canada for what they have provided for us Manitobans to make our life something better than it could have been otherwise. And we are all of us I think in this House working towards the same kind of a thing for future generations. Many of us have achieved standards of living, levels of quality of life which suits us very well -- and yet we are here sweating out the hours, fighting, working, but nevertheless all of us motivated to do something better for those that follow; and if we took the attitude that we're happy and then don't worry about future generations, we wouldn't be here. I think none of us are really so concerned about tomorrow and the day after tomorrow as we're concerned about the next year or the next decade and decades to come. So I have no apology to make for the fact that we are going into a program of building Manitoba for the benefit of future Manitobans.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. GRAHAM: I have a question, Mr. Speaker.

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

MR. GRAHAM: Will the Minister entertain a question at this time? Could you give an indication of what the total borrowings from the Canada Pension Plan will be at the end of the coming fiscal year? Will it be close to \$400 million?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, possibly you'll permit me to give the answer as soon as I find it, which may be in a few minutes or may have to wait until this afternoon.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSEN: Mr. Speaker, we will be going into a Committee stage of this bill in which there is a free exchange of questions and answers. I wonder if it would not be more appropriate if there are going to be several questions to ask that they mightn't be entertained at that time rather than now.

MR. SPEAKER: I thank the Honourable Member for Morris. I do agree with him that that would be a much better procedure. The Honourable Member for Lakeside.

MR. ENNS: Well, Mr. Speaker, I was appreciative of the remarks -- particularly of the final remarks made by the Minister of Finance with respect to borrowing and the borrowing policies of his government and past governments; and what it indeed has wrought for us that now live in this country, in this province, and for what it can bring about for our future generations.

Mr. Speaker, the other day I rose on a matter of several points with which we take issue in the Capital Bill. It's my intention just to very briefly reiterate them and indicate to you, Mr. Speaker, or through you, Mr. Speaker, to the government, to the Minister opposite why we cannot support the Capital Bill as presented by the government and why indeed we'll be voting against it. I want to make it very clear, Mr. Speaker, to the Honourable Minister that in this particular case our objection to capital borrowing is not similar to the Member for Rhineland insofar as we cannot accept his view that capital borrowing indeed enslaves future generations. I think proper capital borrowing, capital use, proper use of that money so borrowed -- and indeed prudent steps taken to borrow as correctly as possible and as advantageously as possible will make capital borrowing a very necessary and worthwhile instrument of development for this province and indeed for any other country.

Well, Mr. Chairman, we object firstly -- and this is -- we object not to the capital borrowing requirements of Manitoba Hydro but we do object, Mr. Chairman -- and this is a format that gives us an occasion under which we can make that objection known. We believe that the government is entering into a monstrosity, is making a massive mistake; we believe that they have in this particular instance denied themselves the value, the full opportunity of all the technical help that any government would need with this kind of an undertaking. We believe, Mr. Speaker, that there is sufficient cause, sufficient cause -- I won't repeat the arguments that I made yesterday -- sufficient cause as expressed by most competent people in the Province of Manitoba that would indicate to us that we should be opposed in principle to the borrowing of \$150 million at this time by the government for Manitoba Hydro, because we believe that they are abusing and not using the monies so borrowed in the best possible way for the development of Hydro in our province. That, Mr. Speaker, is point No. 1.

No. 2: I indicated to the Honourable Minister that we are not in keeping with the monies allocated for the Manitoba Development Corporation; and No. 3, Mr. Speaker -- and that's my final remark and I'm finished -- I repeat, the inordinate amount of unspecified and uncommitted funds, \$45 million, does indeed represent to me a slush fund for some future election that this government intends to run.

MR. SPEAKER: The hour of 12:30 having arrived, the Honourable Member for Rhineland will have his opportunity this afternoon.

MR. FROESE: Mr. Speaker, I beg to move, seconded by the Honourable Member . . .

MR. SPEAKER: Order, please. I am leaving the floor open, because if we adjourn the motion then we go to tomorrow before we come back to the question again, and I don't think that was the intent of the Chamber. Am I right?

MR. CHERNIACK: Mr. Speaker, on the point of order if I may . . .

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: I am under the impression that we can't carry the proceedings right through to their conclusion, to final reading, without leave; and I am under the impression that the Member for Rhineland won't give leave. So that if no one else indicates that they wish to speak this afternoon and he therefore wishes to move adjournment now, then I don't know if there's much point but if someone wishes to speak this afternoon, then by all means I should think the honourable member should not put his motion yet.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSEN: Mr. Speaker, I do believe that there are perhaps one or two members on this side that indicated that they intend to say a few remarks on this bill this afternoon, he can move the adjournment of the debate.

MR. SPEAKER: Agreed. The hour of adjournment. The lunch hour having arrived I'll leave the Chair to return at 2:30.