

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
2:30 o'clock, Monday, May 7, 1973

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 29 students of Grade 5 standing of the St. Norbert Elementary School. These students are under the direction of Mr. Pierre Bosc. This school is located in the constituency of the Honourable Member for Fort Garry.

We also have 17 students of Grade 6 standing of the William Whyte School. These students are under the direction of Miss L. Kowalchuk. This school is located in the constituency of the Honourable Member for Point Douglas.

On behalf of all the honourable members I welcome you here today.

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees. The Honourable Member for St. Vital.

PRESENTING REPORTS

MR. JAMES WALDING (St. Vital): Mr. Speaker, I beg to present the First Report of the Standing Committee on Private Bills.

MR. CLERK: Your Committee met for organization on Thursday, May 3, 1973, and appointed Mr. Walding as Chairman. Your Committee recommends that, for the remainder of this session, the quorum of the Committee shall consist of ten (10) members.

Your Committee also recommends that the time for receiving Petitions for Private Bills be extended until Thursday, May 17, 1973, and that the time for receiving Private Bills by the House be extended until Thursday, May 24, 1973.

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

MR. WALDING: Mr. Speaker, I move, seconded by the Honourable Member for Gimli, that the report of the committee be received.

MOTION presented and carried.

MR. SPEAKER: Ministerial Statements and Tabling of Reports; Notices of Motion; introduction of Bills. The Honourable Attorney-General.

INTRODUCTION OF BILLS - 39, 41, 46, 47, 48.

HON. A. H. MACKLING, Q.C. (Attorney-General) (St. James) introduced Bill No. 47, an Act to amend The Animal Husbandry Act; and Bill No. 48, an Act to amend The Liquor Control Act (2).

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs) (Selkirk), on behalf of the Honourable Minister of Tourism and Recreation, introduced Bill No. 46, an Act to amend The Boxing and Wrestling Commission Act.

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona), on behalf of the Honourable the Minister of Agriculture, introduced Bill No. 39, an Act to amend The Manitoba Water Services Board Act.

MR. THOMAS BARROW (Flin Flon) introduced Bill No. 41, an Act to permit The City of Flin Flon to make a Grant to The Flin Flon Elderly and Infirm Housing Incorporation.

MR. SPEAKER: Oral questions. The Honourable Member for Lakeside.

ORAL QUESTION PERIOD

MR. HARRY J. ENNS (Lakeside): Mr. Speaker, I direct a question to the Honourable the Minister of Northern Affairs. It has been brought to my attention, Mr. Speaker, that his Assistant Deputy Minister, Mr. Philip Thompson, I believe it is, spent the better part of last week in the Fort Alexander area where he indicated his . . .

MR. SPEAKER: Question please.

MR. ENNS: . . . his desire to run for the N.D.P. . . .

MR. SPEAKER: Question please.

MR. ENNS: . . . in the next election.

MR. SPEAKER: Order, please. I would like to inform the honourable member that according to our procedures the question period is not to give information to the House but to ask and receive information. The Honourable Member for Lakeside.

## ORAL QUESTION PERIOD

MR. ENNS: My question is whether Mr. Thompson's trip was authorized and if so for what purpose; whether Mr. Thompson has received commission or is on leave of absence at the present time, in order for him to enter politics.

MR. SPEAKER: The Honourable Minister of Northern Affairs.

HON. RON McBRYDE (Minister of Northern Affairs) (The Pas): Well, Mr. Speaker, I'm not aware of any announced intention of my Assistant Deputy Minister to seek any nomination at this time. As far as I am aware, Mr. Speaker, he is on full-time duty as Assistant Deputy Minister of Northern Affairs and a very excellent and able Assistant Deputy Minister he is, Mr. Speaker, and I am sure he is carrying out his task to the best of his ability.

MR. SPEAKER: The Honourable Leader of the Liberal Party.

MR. I. H. (Izzy) ASPER (Leader of the Liberal Party) (Wolseley): Thank you, Mr. Speaker. My question's for the First Minister. Has the Government of Manitoba studied the proposed legislation apparently before the Federal House, dealing with laws to prohibit conflict of interest by members of the Legislative Assembly or the members of Parliament and civil servants and top ranking government officials?

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Well, Mr. Speaker, the whole general area that is raised by my honourable friend's question is one which of course we attempt to keep abreast of; there is need for maintaining as much consistency as possible as between treatment of those who work for the one department or another of the Crown and who may have an interest in seeking public office, and those who work for a Crown agency and who have an interest in public office. A certain precedent has been established over the years, including in the last federal election when employees of certain Crown agencies sought federal office for one party or another, and we will attempt to keep things as consistent as we can in that whole respect.

MR. ASPER: To the First Minister, Mr. Speaker. Will the government be introducing or supporting legislation at this session dealing with restrictions on conflicts of interest by elected officials and their senior staff?

MR. SCHREYER: I'm sorry, Mr. Speaker, obviously the purport of my honourable friend's question is slightly to a different point than what I responded to. There is legislation contemplated with respect to rights of those who may be in the public service to seek political office, the guidelines under which they may do so; and if, on the other hand, my honourable friend is referring to some wider possibility of conflict of interest, I am at a loss just at the moment to indicate whether or not we have any legislation in mind; we don't believe that there is any current, nor for that matter in the past, has there been any serious or specific identifiable conflict of interest. If there is some area, then we would be prepared to consider legislation.

MR. ASPER: Yes, Mr. Speaker, to the First Minister. I wonder if Mr. Speaker might allow me to explain my question as the First Minister -- (Interjections) -- Well, Mr. Speaker, my question to the First Minister relates to legislation that we've called for in Manitoba protecting the public . . .

MR. SPEAKER: Question please.

MR. ASPER: Is the Government of Manitoba prepared to adopt legislation providing against and protecting against conflict of financial dealings by elected officials and their top aides? That's before the Federal House now.

MR. SCHREYER: Well, Mr. Speaker, my honourable friend is now referring to legislation that is before the Federal House, which is therefore presumably not yet enacted -- well obviously it's not yet enacted into law. We do have in mind to deal with the question of disclosure of financial interest on the part of those who hold elected office; I don't know if that comes a large way or only part of the way towards what my honourable friend is referring to, but we do have in mind legislation relating to a disclosure of financial interest and holding by elected members.

MR. SPEAKER: The Honourable Leader of the Liberal Party.

MR. ASPER: Thank you. To the First Minister. Can he indicate to the House whether that kind of conflict of interest legislation might be expected at this session?

MR. SCHREYER: Well, Mr. Speaker, there is a larger area of intended legislation involved here. Perhaps I could call on my colleague, the Deputy Premier, to elaborate further.

## ORAL QUESTION PERIOD

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, specifically to the question raised by the Leader of the Liberal Party, I answered a similar question some weeks ago to this degree, that without legislation, that if it was found that some civil servant was attempting to use his or her position within the civil service for their own purposes and advancement, then they can be handled at the present time, if necessary, within the present provisions of the Civil Service Act without the necessity of any new legislation. And I said at that time, Mr. Speaker, and I repeat, they would be disciplined severely, if necessary, for any such action.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, I wonder if the First Minister can advise us how many people from the civil service will be seeking NDP nominations, and I wouldn't include the Crown corporations in that question.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, why wouldn't my honourable friend want to include Crown corporations in that question? It would be an arbitrary distinction not to do so. Insofar as the totality of the public service is concerned, which means departmental service and agency service, I have no idea. I would suspect perhaps, I'd be surprised if there weren't two or three or four as there was in the federal election, including one who ran for office on the Conservative ticket who would have had the right to return to his job had he been defeated. So Mr. Speaker, there is no great problem.

MR. CRAIK: Mr. Speaker, I don't believe I can answer the question posed by the First Minister, but I might ask him if it has not been precedence and an accepted fact that anyone running or active in a Crown corporation needs only to get the approval of his board if necessary, whereas a person running in a government department . . .

MR. SPEAKER: Order, please. Now the honourable member's getting into a argumentative area. Would he state his question directly?

MR. CRAIK: Is it not a fact that anyone running from the civil service would conceivably have to get the approval of his or her Minister before getting permission to run?

MR. SCHREYER: Well, Mr. Speaker, that is on both counts not quite correct. There is no clear precedent with respect to those even from the public service at large, including Crown agencies, because we recall that in 1962 when a certain Mr. John Bracken ran on the ticket of the New Democratic Party he was summarily dismissed from his employment, and then as a result of special efforts, reinstated, and in 1972 when a Mr. Dan McKenzie, also working for a Crown corporation, ran for office, he was not summarily dismissed and had he been defeated he would have had full access of return to his employment. So, Mr. Speaker, civilization has made some progress.

A MEMBER: And Jack Hardy as well.

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

MR. WALDING: Mr. Speaker, in presenting the report of the Private Bills Committee, I omitted to move the bill and I wonder if I could have leave from the House to just make that motion.

MR. SPEAKER: Is it agreeable to the House to revert back for a moment? (Agreed)  
The Honourable Member for St. Vial.

MR. WALDING: Mr. Speaker, I move, seconded by the Honourable Member for Gimli, that the time for receiving petitions for Private Bills be extended to the 17th day of May, 1973, and that the time for presenting Private Bills to the House be extended to the 24th day of May, 1973.

MOTION presented and carried.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I wish to direct my question to the Honourable Minister of Labour. Is the Minister or his department planning to assist in the negotiations between the union and the supermarkets?

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, the Department of Labour assists all employers and employees in resolving a satisfactory — we hope — disposition of their differences and there's no exception insofar as the supermarkets are concerned.

## ORAL QUESTIONS

MR. PATRICK: Will this assistance lead to a settlement before Friday, Mr. Speaker?

MR. PAULLEY: If I may refer to the record of the Department of Labour, in all likelihood it will result in a resolution of the differences between the parties concerned.

MR. SPEAKER: The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): Mr. Speaker, my question is for the Minister of Agriculture. When is the report of the committee which was set up to study fertilizer sales and production going to be tabled in the House?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): Well, Mr. Speaker, I'm not sure that that point has been decided, but the report is not yet ready.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I'd like to direct a question to the First Minister. If a civil servant wishes to run in the forthcoming election. . . .

MR. SPEAKER: Order, please. The question is hypothetical. The honourable member rephrase it.

MR. CRAIK: Mr. Speaker, in the event when a . . .

MR. SPEAKER: Order, please. Order, please.

MR. CRAIK: . . . civil servant wishes to run . . .

MR. SPEAKER: Order, please. Again, would the honourable member place a direct question?

MR. CRAIK: Mr. Speaker, what is the government's policy with respect to civil servants running as candidates in an election, vis-a-vis what requirements and provisions must they meet with regard to their Minister to assure approval of reinstatement in the event that they don't get elected?

MR. SCHREYER: Well, Mr. Speaker, that would be governed by the present act and the policy of stare decisis.

MR. CRAIK: Mr. Speaker, then let me ask the question directly. Will that person have to get permission directly from the Minister?

MR. SCHREYER: Mr. Speaker, I don't know if I'm any better -- I expect I am not any better at reading the act, sections of statute law, than my honourable friend, but perhaps we could both together read the pertinent sections of the Civil Service Act.

MR. CRAIK: Mr. Speaker, then might I ask him whether those people working for Crown corporations fall under that act or whether or not their permission comes from the particular board of the Crown corporation for whom they work.

MR. SCHREYER: There's no question, Mr. Speaker, but that it comes from the board, but then the board's policy is determined to be in harmony with that of the Crown of the Cabinet, so really there is no distinction to be drawn other than a very artificial one.

MR. CRAIK: A supplementary question, Mr. Speaker. Then if ministerial approval is required of a civil servant, it will also be required of a person working for a Crown corporation.

MR. SCHREYER: Well, Mr. Speaker, that is an academic possibility. I merely point out to my honourable friend that we have a refined precedent a little in the sense that in 1972, when a certain person employed by a Crown agency sought and obtained the Conservative nomination ran for office, he took a leave of absence and was entitled to the restoration of his job in the event he was defeated. That, I believe, was good precedent and it's one that we will use as a guideline.

MR. SPEAKER: The Honourable Leader of the Liberal Party.

MR. ASPER: Thank you, Mr. Speaker. To the First Minister. Did the First Minister state in Ste. Rose, I believe on Friday evening, that the Government of Manitoba holds an offer to sell its interest in Tantalum Mining Corporation and Chemaloy at a profit of 18 percent?

MR. SCHREYER: Mr. Speaker, that is essentially correct.

MR. ASPER: Despite your answer, will the First Minister table that offer so that it may be examined by members of the Legislature?

MR. SCHREYER: I'd be quite happy to.

MR. ASPER: Can the First Minister indicate whether the profit that he proposes to or says is available to the people of Manitoba through this investment, equals the losses suffered by the MDC in Phoenix Data, Saunders Aircraft and the other series of companies whose statements were made available to the Economic Committee last week?

## ORAL QUESTIONS

MR. SCHREYER: Well, Mr. Speaker, I don't know if there is any necessary connection. I'm sure there is no necessary connection, but I wonder, Sir, whether there was any more of a connection at all as between the Tantalum Mining venture compared to the other Crown ventures than there would be, say, as between Panarctic Oil, which is a federal joint venture, and the CNR and Air Canada and Polymer and the many other federal Crown corporations which required approximately \$1.1 billion of further investment last year in order to maintain.

MR. SPEAKER: The Honourable Member for Thompson.

MR. JOSEPH P. BOROWSKI (Thompson): Mr. Speaker, I have a question for the First Minister. I wonder if he could indicate whether he will sell those stocks and realize a profit, which I believe is around a million dollars, and invest it into the government exploration company which was set up about a year ago?

MR. SCHREYER: Well, Mr. Speaker, as I indicated we're prepared to table the offer, and I think before any decision -- I don't want to leave the impression, Sir, that we are anxious to accept that offer, because a short term gain of 18 percent may be to a long-run detriment. Perhaps it's in the public interest to retain that holding for some years into the future. Before any decision is made I would like to think that we could obtain the views and advice of someone who takes a practical approach, such as my honourable friend the Member for Thompson. We're under no duress to sell and before we take any definitive action we would like to hear the views of those who have thought about it.

MR. SPEAKER: The Honourable Leader of the Liberal Party.

MR. ASPER: Yes, Mr. Speaker, to the First Minister. Did the First Minister also state in Ste. Rose that Flyer Industries Limited had lost only \$50,000 last year?

MR. SCHREYER: Mr. Speaker, I was referring to the school bus division and I don't believe the figure 50,000 was the figure I referred to. What I believe I indicated is that the so-called loss in the first two or three years of operation of any company, private or public, is not a figure or a year upon which one determines the long-run viability; that virtually every company in the first two or three years of operation does experience costs that exceed its cash flow. I think my honourable friend appreciates that.

MR. SPEAKER: The Honourable Leader of the Liberal Party.

MR. ASPER: Yes, Mr. Speaker. To the First Minister. Then, the First Minister, did he say in Ste. Rose that the amount of loss on Flyer Industries was only as much as a \$50,000 LIP grant that had been given to some organization in Toronto?

MR. SCHREYER: Again, Mr. Speaker, I was referring to the School Bus Division only, and I indicated that the amount, even in the first few years of operation, the amount of loss was comparable, was to be compared with the amount that was granted to various private non-profit organizations through LIP, PEP, etc. and I indicated that in Toronto the federal LIP Program had given, I think, a grant amounting to several tens of thousands of dollars to the Worshippers of Satan. And I said that we would sooner, if we had to lose money, lose it on a productive manufacturing enterprise such as the manufacture of school buses, prior to which we were importing from Superior, Wisconsin. But the long and the short of it, Mr. Speaker, is that it is foolish -- and I indicated that on Friday -- it is foolish to look at the long-term viability of a corporation on the basis of its first two or three years of operation when they experience abnormal start-up costs.

MR. SPEAKER: The Honourable Member for Crescentwood.

MR. CY GONICK (Crescentwood): Mr. Speaker, I have a question for the Minister of Health and Social Development. Is the Minister aware that the facilities and lands of the Ninette Sanatorium are now for sale?

MR. SPEAKER: The Honourable Minister.

HON. RENE E. TOUPIN (Minister of Health and Social Development) (Springfield): Yes, Mr. Speaker.

MR. GONICK: Mr. Speaker, to the same Minister. Is the Minister aware that ads are now appearing in American newspapers by the real estate agents . . .

MR. SPEAKER: Order, please. I allowed one question in respect to awareness to go by, but I do not see that it's really essential to the procedures of this House whether someone is aware or not in respect to what's going on in the newspaper. Would the honourable member rephrase his question?

## ORAL QUESTIONS

MR. GONICK: Mr. Speaker, the question is: Is it correct that the facilities are being advertised in an American newspaper by the agents for the sanatorium?

MR. TOUPIN: Mr. Speaker, I was not aware till the honourable member made me aware just a few minutes ago. I was aware, though, that the Sanatorium Board, who is completely autonomous, had put their facilities up for sale and I'm equally aware that they've had a very firm offer of a quarter of a million dollars of which I received a copy.

MR. GONICK: Yes, Mr. Speaker. Another question on this matter. Will the Minister be indicating to the Sanatorium Board its displeasure in the sale of these facilities as a resort area to an American buyer?

MR. TOUPIN: Well, Mr. Speaker, the copy of the offer that was sent to me was not by an American firm but by a Canadian firm. -- (Interjection) -- Well, actually no, they have their largest input in the western provinces, apart from Manitoba, and we would be quite favourable in recommending the acceptance of this offer.

MR. GONICK: Another question for the First Minister, Mr. Speaker. Will the Government of Manitoba be submitting a brief to the House of Commons Finance Committee, which are to hold hearings across the country, on the Government's foreign ownership legislation?

MR. SCHREYER: Well, Mr. Speaker, we have had considerable communication with federal authorities in the past 24 months on their proposed foreign takeover legislation bill, and included in that communication was a meeting with the Honourable Herb Gray here in the Legislative Buildings approximately a year ago. Now that they are starting with legislation de novo, we of course would accept any opportunity to present our views once again.

MR. SPEAKER: The Honourable Member for Thompson.

MR. BOROWSKI: Mr. Speaker, I have a question for the Minister of Health regarding the three kids that escaped from the new Youth Centre. I wonder if he can indicate how the inmates escaped. Was it over the roof or through the front door?

MR. SPEAKER: The Honourable Minister of Health.

MR. TOUPIN: Well, Mr. Speaker, there were three juveniles that did escape from the Youth Centre and they were recaptured and are back at the Youth Centre. They were back yesterday -- I saw them personally. One of 15 and two of 14. They broke through a window. I'm just discussing with my colleague the Minister of Public Works what has to be done with the so-called unbreakable windows.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I direct this question to the Minister of Agriculture. It relates somewhat to the question by the Member for Pembina, the investigation the Minister is making in regards to the price of fertilizer in Manitoba. Can the Minister indicate whether that report will be available during this session?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, it depends on the length of the session obviously, and I'm not about to speculate on that one. While I'm on my feet, Mr. Speaker, I would like to respond to my honourable friend on another question put to me some weeks ago, having to do with the sewer and water services for the unincorporated village of Mariapolis. I would like to point out to the Member for Rock Lake that on January 8th the Order-in-Council was passed establishing that community under the Water Services Act. Unfortunately, through an error of the department, they didn't inform them that it was so passed, but works are under way and discussions are taking place with respect to a project for that community.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. EINARSON: I direct a question in that regard, Mr. Speaker. Has a by-law been passed by the municipality authorizing this for the Town of Mariapolis?

MR. USKIW: Well this is a matter of local concern, Mr. Speaker. I would not be aware of that. I could find out for my honourable friend if he so wishes.

MR. SPEAKER: The Honourable Member for Thompson.

MR. BOROWSKI: Mr. Speaker, I have a question for the First Minister regarding the remarks made by the Prime Minister over the weekend. Has the Federal Government at any time approached the Provincial Government regarding the settlement of some outstanding claims regarding the treaties that were signed about a hundred years ago? Has the Prime Minister or his office asked the Provincial Government to act on its behalf at any time now within the last 12 months?

## ORAL QUESTIONS

MR. SCHREYER: No, Mr. Speaker, and I must share with my honourable friend a feeling of complete — but I mean complete — puzzlement as to just what the Prime Minister intended to say, and because I was so completely puzzled I have sent a telegram this morning to the Prime Minister asking him to advise whether or not he was correctly quoted or even approximately correctly quoted, because it leaves me completely puzzled as to just how he could think, if he was correctly quoted, how he could think that the settlement of aboriginal rights was something that rested as an onus on the provinces of Canada, and until I receive a reply I will withhold my indignation. But my indignation is complete.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I have a question for the Honourable Minister of Education. Is it a fact or not, according to the Manitoba Teachers Association Statistics, that there will be no jobs for between 500 and 600 teachers this coming term?

HON. BEN HANUSCHAK (Minister of Education and Urban Affairs) (Burrows): Mr. Speaker, there is no way that I could determine that at this point in time. According to law, teachers have until May 31st to indicate their intentions for the forthcoming year, so until such time arrives I'm not in a position to answer the honourable member's question.

MR. SPEAKER: Orders of the Day. The Honourable Leader of the Liberal Party.

MR. ASPER: Thank you, Mr. Speaker. My question relates to the subject of the First Minister's last comment, the extent of his indignation. The question is, does the Minister withdraw the indignation he expressed at the Federal Government when he erroneously accused them last week for having made a grant to Edson Industries of Neepawa so that they would move to Rivers, and which of course has been denied.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, not having made that charge, I have nothing to withdraw. It arose as a question for the other side and I indicated that if it were a case of the Federal Government extending DREE grants to an industry to induce it to move from one rural centre to another, that it in my opinion would be a sterile and nonproductive exercise. But I said that we would check further to indicate whether this was in fact their policy. I believe that I made no charges. If I did, I would be quite prepared to withdraw them, but, as I say, the matter arose as a question for the other side and I answered in the — if you'll forgive me, Sir — I answered in the hypothetical.

MR. ASPER: To the First Minister, Mr. Speaker. Has the First Minister now satisfied himself that no federal inducements were granted to Edson Industries to encourage them to move from Neepawa to Rivers?

MR. SCHREYER: Well, Mr. Speaker, the Minister of Industry and Commerce is checking that out and in the event that my honourable friend's point is correct, then of course there should be no problem. In fact, I did anticipate that perhaps the allegation of the question was incorrect when I said that if, however, a company on its own decision-making decided to move, that was another dimension and that was something about which the government would and ought not to have much to say.

MR. SPEAKER: The Honourable Member for Crescentwood.

MR. GONICK: A question for the Minister of Health and Social Development. In the negotiations with the Manitoba Medical Association, is the Government considering an increase in the average medical fee to doctors or an adjustment of fees?

MR. TOUPIN: Mr. Speaker, what I said last week in pertaining to the negotiation in good faith with the Medical Association, I cannot anticipate anything. I would feel good as Minister of Health and Social Development if there were no increase, but yet negotiating in good faith I can't assume if we're going to have an increase or a reduction.

MR. SPEAKER: Orders of the Day. The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I move, seconded . . . There are orders for return. I'm sorry.

ORDERS FOR RETURN

MR. SPEAKER: First order for return. The Honourable Member for Morris. Oh, I'm sorry. Questions of the Minister. Orders for Return. The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I believe I moved this order last week on Friday, and it was accepted.

## ORDERS FOR RETURN

MR. SPEAKER: Next one is the Honourable Member for Portage la Prairie,

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I move, seconded by the Member for Assiniboia:

THAT an Order of the House do issue for a return showing:

1. A copy of the Government's request for tenders by Department of Mines and Natural Resources for manufacture of environmental equipment.
2. Names of firms which submitted tenders.
3. The price quoted by each firm.
4. The name of the firm to which the business was given.

MOTION presented.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, we accept this Order for Return subject to legislation subject to past practice, but on that basis we certainly accept it. And while I'm on my feet may I ask the Member for Assiniboia if in his Order for Return he would want specifically to restrict his request to 1972 or if he would like a whole five-year run at it. We can provide him the information over a number of years. You just want one year. Well, it's a pity. We'd be prepared to give him more than one year.

MR. SPEAKER: Order, please. Agreed? So ordered.

MR. SPEAKER: Order for Return No. 2 by the Honourable Member for Portage La Prairie.

MR. G. JOHNSTON: Mr. Speaker, could I have this matter stand?

MR. SPEAKER: Very well. I was going to ask the honourable member to reconsider this wording because I do find that, it's a little lengthy and probably contrary to our procedures. The Honourable House Leader. The Honourable Minister of Labour, I'm sorry.

MR. PAULLEY: Mr. Speaker, it's my indica -- well I'm Acting House Leader as well, I think. It's my indication that the Honourable the First Minister is desirable to go into Committee to consider Capital Supply. I defer to him.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I move, seconded by the Honourable the Minister of Labour, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MOTION presented and carried and the House resolved itself into a Committee of Supply with the Honourable Member for Logan in the Chair.

SUPPLY - CAPITAL SUPPLY - BILL 22.

MR. CHAIRMAN: Schedule A -- The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, it's customary at the introduction of Capital Supply Estimates to have a few words of introduction and accordingly, as Acting Minister of Finance, I would propose to do so right now.

As honourable members opposite can appreciate, the Estimates of Capital Supply have been before us now for a period of time, I think precisely since the evening of March 27th, so that there has been approximately five to six weeks in which to look at the Schedule of Capital Supply requests and to reflect on it. I thought, Mr. Chairman, that today we might begin consideration of the Estimates since their consideration falls within the 90 hours of Estimates time that we allow ourselves for review of Her Majesty's spending. I might add as an aside, Mr. Speaker, that Her Majesty's spending, no fault to Her Majesty at all, Her Majesty's spending in Manitoba is well within contained and desirable limits. In point of fact it can be said that a review and analysis of all current and capital expenditures among the several provinces of Canada show, not only according to the Toronto Globe and Mail, but according to the Statistics Canada Office, show that Manitoba's public sector per capita spending is well in line with other provinces and does not show that we are off on any reckless and irresponsible spending spree.

As everyone will have observed, the total authority we're asking for this year comes to some \$273,479,000 and this is to be looked at in relationship to the amount of capital supply requests that was made of this House and honourable members last year, which was some \$100,000,000 in excess of that.

The House might be interested, in view of the questions that have been raised in previous



## CAPITAL SUPPLY - BILL 22.

(MR. SCHREYER cont'd) . . . . years, in knowing how much unused authority we have left from previous years, and so I can report to honourable members that as at March 31, 1973, we estimate that there is approximately \$286,555,000 of authority which has not been exercised or drawn upon, although most of it has been committed. Most of it has been committed with the possible exception of very roughly \$50 million at this point in time. We estimate that by March 31, 1974, we will have existing authority uncommitted or unused, that is to say we will not yet have had to borrow for funds to the extent of some \$225,136,000. All of that, however, will have been committed either by contractual arrangement or by program planning with the exception of some \$26 million. So then, Mr. Chairman, if I may just pause momentarily and recapitulate:

We are saying, in effect, that we fully anticipate that the unused authority which exists at the present time plus the amount of authority that we are asking for at this time, taking that in aggregate lump sum, subtracting from that the amount that we anticipate will actually be disbursed or committed upon, that we will end the current fiscal year with an existing but uncommitted unused authority of some \$26 million. From internal sources and shared cost receipts and estimates of possible shortfalls in reaching our full capital expenditure program, we would expect to lop, to reduce about \$25 million off the total, leaving us with the need to borrow about \$310 million. From the Canada Pension Plan, from the Canadian Mortgage and Housing Corporation and other loan sources arising from various agreements with the Federal Government, we would expect to find \$123 million in sort of off-the-market sources, leaving us requiring from the public market about \$186,800,000. In the past twelve months, in the twelve months of the last fiscal year, the Department of Finance arranged for public market borrowings aggregating about \$211 million. So out of all that, out of the \$310 million that I have earlier referred to, the new general provincial debt will comprise \$34,500,000 and agency debt will account for approximately \$275,500,000.

I would now propose, Mr. Chairman, that the Committee consider the Estimates. I will endeavour to answer the questions, as many as I possibly can, and to take as notice other questions or to refer to my colleagues such as may be involved with Capital requirements for further elaboration on any detailed questions that might arise. And with that brief introduction, which is in conformity with past practice, Mr. Chairman, I submit this Capital Authority request to this House and to honourable members.

MR. CHAIRMAN: Is the Committee ready to consider the resolutions? The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, I'm confident that different members will have questions to ask, particularly comparative questions with respect to specific sums being asked for in this capital expenditure estimate. I would like to, by way of serving notice on the First Minister, on the Acting Minister of Finance at this particular time, that we would want to specifically ask a considerable amount of questions and have breakdown in detail the last time on the page, on the Schedule provided for us, which calls for a \$24 million expenditure under the heading of General Purposes. Mr. Chairman, this has been a trend that has been notable with this particular government, where they have asked for massive amounts under this particular heading. I don't have the figures before me but I'm sure, with the assistance of the Deputy Minister of Finance, that that information will be shortly coming forward to the House, that in the last two or three years this government has notoriously asked for sums of this order even to the extent of \$40 million under General Purposes, \$21 million General Purposes, \$18 million General Purposes, whereas if you examine the Capital Supply requests of the previous administration, three or four years of the previous administration, you will find under that particular heading more or less zero, zero requests under that particular heading. So it's a tendency, Mr. Chairman, that I think the opposition has every right to want to ask for a full and a detailed explanatory explanation for this kind of request.

So, Mr. Chairman, while the Honourable Minister affords himself the time to break down that \$24 million, or indeed I ask him of that -- I ask for that breakdown right now if the First Minister can give us that, namely, a departmental or item by item breakdown of the fiscal amounts involved in the \$24,182,000 requested under this Schedule under the heading of General Purposes.

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

MR. HARRY E. GRAHAM (Birtle-Russell): Mr. Chairman, I was looking through my desk looking for some notes and I can't seem to find them, but if memory serves me correctly.

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(MR. GRAHAM cont'd) . . . . I believe in the first year of this government's tenure of office there was some 60 to 70 million dollars requested in Capital Supply. I believe in the second year it almost doubled to about \$140 million, and two years ago I think it was \$250 million, last year was \$370 million and this year it's \$270 million, but at the same time these were requests and we realized that while these are requests, not necessarily all of that money was expended, and I was wondering if the Minister, or the acting Minister could give us the actual amount that was expended in each of those years. He has told us just now that of the amount that was requested last year there was almost \$100 million that was not used and I would ask him if he would give us those figures again and I'll try and copy them down as he gives them to us.

MR. CHAIRMAN: The Honourable Member for Riel.

MR. CRAIK: Mr. Chairman, we'll get into the specific items as we go along, but a general comment here that should apply pretty well to all the items — not to all of them but to a large number of them — is that a government's estimate of expenditure can't accurately be interpreted from the Estimates of Expenditure books that we're given, because as we look at the sheet of Capital Supply here it's very evident, and you can pick out some specific items, that with the bookkeeping arrangement that goes on being optional to the provinces, that this particular government has selected to transfer a number of things out of current expenditures and put it into capital borrowing. And the question, the only real basic question that should be answered, should be asked first and with the hope of getting an answer, a legitimate answer, is: how much money has been transferred out of what would normally be current expenditure, that is money paid out every year, and has been shifted over to capital and amortized over a period of time ahead. Now that's the only really fundamental question that applies to looking in total at these estimates, and of course it's one that I'm not optimistic we're going to get a finite answer from the government unless we sit here night and day and try and get at the basics.

But first of all, if we look at the item here for universities, there's an item here for \$6,323,800. Now traditionally a large part of the capital expenditures at universities by the former government was paid out of current. It was done that way in order to keep a reasonable balance between items which were self-amortizing and items which were not self-amortizing. Now, you think you can mount a rational case that hydro dams and so on are self-liquidating because they have a return based on hydro rates. I suppose if one wanted to extend the argument you could say that university buildings are the same way, that the product that comes out of the university eventually generates a return which will say that that is paid off for over a period of time. But you're extending the argument to a -- you're extending the argument beyond reasonable bounds when you take it to the extent as we found out in questioning the Estimates last year and the year before, that we had such things as Gestetners and duplicating equipment and furniture for government office buildings included in the General Purpose Account, which traditionally would not be put in that but would be paid for out of current.

Now the same goes for a segment of the highways construction. Traditionally, part of that was paid out of current account, that is you paid for it this year if you built it this year. You didn't build it this year and amortize it over the next 20 years. But how much -- and the First Minister has answered before, well, from time to time you shift back and forth. But that answer, Mr. Chairman, is hardly adequate when you add up here General Purpose 24 million, Universities 6 million, it has in here Winter Works and Emergency Programs 13 million, Frontier and Resource Roads — what portion of those would have traditionally been paid for out of current — if you add up all those figures you come to perhaps 40 to 50 million dollars and the basic question is: is it not pretty easy to balance the budget when you can shift that size of amount of money out of current expenditure and put it onto capital borrowing. So there's no magic at all in balancing your budget if you're prepared to shift everything you can over to capital borrowing.

So again to repeat, Mr. Chairman, the only basic question that is common to every item practically on the sheet here, is: how much of this has been shifted out of current estimates and put on to capital borrowing? How much in total is there there? Some of them are evident, others are not so evident. What we want to get at is how much has been shifted into the position of in effect borrowing to buy the groceries, which is effectively what you do when you shift out of current, put it on to capital when you're talking about items such as office furniture and

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(MR. CRAIK cont'd) . . . . small expenditures, perhaps expenditures on the Winter Works Programs. I would think that a large section of your winter works and emergency programs must go into labour which is effectively an expense, a yearly expense, but provides no return to the government, is not self-amortizing. So how much of that winter works and emergency programs are simply the PEP Programs and others, which is a year to year thing that you do to provide employment but you don't really get a return from it in the sense that you can compare with the return you get from a hydro-electric dam that is every year producing a commodity that you can sell? So anything that doesn't produce something, that you end up going to charge for, should not be in here as capital borrowing, and the question is: how much is in these items, Highways, Winter Works, General Purposes, and what does the total add up to?

MR. CHAIRMAN: The Honourable Leader of the Liberal Party.

MR. ASPER: Mr. Chairman, I don't propose to take a great deal of time to comment on the Capital Supply Estimates for the very reason that I summarized the Liberal Party view and perhaps many other members of this House and certainly the view that many tens of thousands of Manitobans must take. There can only be a sense of absolute frustration, absolute anger that at this stage of the proceedings in this House, with eleven hours approximately left on time for discussion, we are presented with spending Estimates of nearly \$300 million, \$273 million. And, Mr. Chairman, the First Minister volunteers from his seat, "Take the whole eleven hours." Mr. Chairman, even if we were to take the full eleven hours, even if we were to take the full eleven hours, Mr. Chairman, we could not do justice to the commitment that we have as members of the opposition to scrutinize the spending and the purse operations of any government. And, Mr. Chairman, it may comfort the First Minister to interject by saying, "That's what they do to us in Ottawa; that's what they do in other Houses." Mr. Chairman, this is unbecoming of the First Minister; it's unbecoming of his government that there should be this constant resort to, "If you think we're bad look at others, they're worse, or we're only as bad as everybody who came before us, we're just doing the same things." Mr. Chairman, if he were to tell the people that we represent that we are going to vote in one hour, or eleven hours, on the spending of \$273 million with the scanty information that we have in front of us, or that is available to us by the government's arranging of the timetable of presentation of material to this House, I'm not sure the profession of public life would be held in high regard.

Mr. Chairman, we have a situation in Manitoba that's self-evident; there's a debate, between many of the members of this House even, as to how much we owe, and the public I'm sure is confused between concepts of debt, and net debt, and direct debt, and indirect debt, and net deadweight debt, and there's a very simple figure, Mr. Chairman, that in the four years that this government has been in office the debt of this province, guaranteed or directly borrowed, has risen from approximately 1.1 billion to approximately 1.9 billion, approximately \$800 million of increased debt. And, Mr. Chairman, the interest cost on that new debt, regardless of whether it's direct, indirect, net, deadweight, or what the First Minister may like to call it, or what accountants may like to call it, the fact is that we must raise approximately \$80 million a year in fees, taxes, licenses, or other charges by government to the public, or utilize this money in some manner which will produce approximately \$80 million a year to service this debt. That comes to approximately \$300.00 per year per Manitoba family. We would be better equipped, Mr. Chairman, to debate, or to comment, or to express, our views on this budget, this Capital Estimate Budget in front of us if we were to be given the kind of information that is even the most elementary to those who have to comment. Who is going to pay this back? What is it going to be used for?

The analysis that we seek for example would call for the government to disclose to us why and how the \$39 million that has been arrived at for borrowing for the Manitoba Development Corporation. Is this \$39 million to join the other tens of millions of dollars that have been placed in jeopardy? We have some obligation to the taxpayers to comment not only on how much is borrowed but the purpose for which it's to be used, and we have no facility to do that in this debate, Mr. Chairman.

We believe that several millions of dollars, tens of millions of dollars of money borrowed under Capital Estimates has gone into ventures and has -- I'm talking about business ventures, Mr. Chairman -- and has been lost, or been placed in serious jeopardy. We refer to the statements that we were given only about two weeks ago on the Manitoba Development Corporation's operation indicating that some \$6 million had been used in development expense for a questionable

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(MR. ASPER cont'd) . . . . prognosis aircraft plant, at one point \$7 million has been lost in the operation of Flyer Industries, and so on, and so on, and so on, into the millions of dollars we refer to. We want to know, have we written off the \$50 million that the Minister of Industry and Commerce has indicated publicly we are going to lose, or he expects we are going to lose, in the Churchill Forest Industries complex? Are we borrowing to replace that? Do our books reflect that? -- (Interjection) -- The First Minister asks how much. The question, or the statement I make is that the Minister of Industry and Commerce has said publicly that he expects to write off as much as \$50 million in the Churchill Forest Industries loan. Has that been reflected? Do our books actually balance, or are we carrying that as an asset on our books deluding ourselves that somebody really is going to pay us \$130 to \$150 million?

Mr. Chairman, we hear reports, and we see reports that come before us on government operations, particularly the Manitoba Development Corporation, indicating tens of millions of dollars of losses that have been accepted and recognized as losses. Are there more? How realistic is the report we're getting? The questions that abound, the questions as to whether or not we've had true accounting, true budgeting in the current side, that have already been raised by my honourable friend the Member from Riel, deserve much more further exploration, much more intensive debate than even the total eleven hours which no responsible opposition can possibly devote to one section of government action.

Mr. Chairman, governments have developed a technique for — in the vernacular — juggling the books, cooking the books, and I don't say that with any suggestion of impropriety in the larcenous sense, Mr. Chairman, I mean in presenting its actual financial status to the people. Only a few short months ago when the Government of Alberta changed the firm of accountants that was brought in to analyze the kind of accounting that is prevalent in this province where general purpose borrowing has taken place under the guise of capital expenditure, when in fact general purpose borrowing was really current account budgetary spending, the Lougheed administration after it took office found that in order to truly present its financial position several tens of millions of dollars — and I don't have the figure in front of me but it's readily available — tens of millions of dollars had to be written off for having been improperly charged to capital account when in fact all those years the government was presenting itself as having a balanced budget, or this kind of a deficit, or that kind of a surplus, those books were wrong, and the public had never been told the truth, and until independent auditors had come in and said, "no, this kind of bookkeeping is unacceptable." We want to know, Mr. Chairman, and there's no way we are going to be able to find out in any amount of time that's reasonably allotted in eleven hours to this debate just where we stand. What is this twenty-four million? What was the money that preceded it, the thirties and the forties and the eighteens of millions of dollars referred to in the past four years? Have we really had a surplus these years or have we had a several hundred million dollar deficit or what?

Mr. Chairman, with those concluding comments I simply restate that one can only express frustration and a word so often used by the First Minister himself "indignation" at being expected to debate in even eleven hours the spending of \$273 million of government public money without having a better accounting than this.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, just very briefly and to allow any of the First Minister's indignation to cool off prior to answering, I just want to underline the — I just want to underline the appeal made by members of Her Majesty's Official Opposition and indeed anticipate some of his response. It is not a question of the fact that a transfer in and out of current and capital supply hasn't taken place in previous years. The First Minister is aware of it, and I as a previous administrator am aware of that having taken place. But the question that my colleague, the Member for Riel is asking, and I appeal in a very genuine way to the First Minister to give us some indication as to the state of our economy in this sense is the amounts, I'm well aware that the practice was used by different governments to transfer different expenditures of major highway construction, or indeed for certain aspects of the water control, the drainage program, in and out of current and capital columns from time to time. Our difficulty here is that very quickly adding up we see figures approaching 50 or 60 millions of dollars that a loose interpretation could mean to us that they have been taken out of current, or we may think they ought to belong in current, are now in capital. So it's that particular aspect of the Member for Riel's position that I would ask the First Minister to address himself to.

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MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, that's certainly fair enough put in the way it has been put by the Honourable the Member for Lakeside. It is entirely legitimate and the kind of question that Her Majesty's Opposition should ask and have a right to answers for. That's quite apart from the general maundering of the Honourable the Member for Wolseley. He talks about eleven hours. I say, Mr. Chairman, that if one were to do an exploration of the Hansards of the past 15 years for all I care, since Hansard first came out fifteen years ago one will see that eleven hours is — will perhaps be the maximum time that has ever been allocated for Capital Supply. So my honourable friend has full opportunity to deal with the totality of Capital Estimates, and for each specific question that he has I would hope that we have specific answers.

Now the Honourable the Member for Lakeside joined by his colleague, the Member for Riel, asks the extent to which there are items in the Capital Supply Bill, or Schedule, which in other years may have been appropriated for in Current Supply Estimates. And I do indicate that we do have items here pertaining to roads and university buildings which no doubt from time to time, not always but from time to time in years gone by, were appropriated for in current estimates. On the other hand we try to avoid the extreme of appropriating entirely in capital division for roads and other years appropriating entirely in current divisions. My honourable friend the Member for Lakeside probably is aware — if not he would be intrigued to know — that in 1963, or was it '64, the entirety of all appropriation for roads was done in the capital division. We have avoided that approach and what we have done here is put in, into capital supply division an amount for northern and resource development roads only, on the general argument that when it comes to northern Manitoba that we are really building for basic transportation to "tomorrow" country, that the investment in roads into northern Manitoba, particularly to resources — well also to communities that are working on development of resources whether it be mining or timber — is really an investment in tomorrow and consequently can be justified as being put into the capital division which Estimates are before us. But we have not — we have taken pains to avoid putting all of the road expenditures into capital. We could have used as an argument the precedence of 1964, and I think one other year in the early sixties, when all of the road expenditures were put into capital and not in current. So I hope that answers part of my honourable friend's question.

Insofar as universities are concerned what we have there is made a clear distinction as between university construction as opposed to operating costs. Operating costs are in current account and the cost of facilities, capital construction, is in the capital division, and that amount here is \$6 million and it's shown in Schedule B.

Now insofar as the Member for — the Honourable the Leader of the Liberal Party is concerned, his general point is that 11 hours isn't sufficient. Well, Sir, that has to be taken in context of what was always the time allocation, the time taken by this House in all the years gone by, and 11 hours does not seem in any way unreasonable or inadequate. If he is one of those who wants to draw a comparison with the Government of Canada, I can advise him that the amount of time taken on Estimates there does far less justice to democracy than what is the case here. My honourable friend if he has specific questions, let him get down to those specific questions.

He's referring to the MDC. He makes reference to some figure of \$50 million. I know not, I know not on what basis he arrives at this figure of \$50 million. Let it suffice to tell my honourable friend that in the case of the CFI operation that the way in which it has been capitalized is in accordance with what has been told this House in previous years. It is now operating through various stages of start-up and that, as an example, in the lumber division alone it is producing at the rate now of approximately a million board feet a week, and the gross sales are averaging \$200,000 a thousand, so there is a gross sale of \$200,000 per week in the lumber division alone. Whether or not this means that it will ever pay for itself during its lifetime is another question, but let no one pretend that there is a \$50 million write-off. That is the kind of thing that my honourable friend may try to pander about but I defy anyone to suggest that the figure is that or anywhere near \$50 million. And in any case before we try to ascertain in our budgetary provisions, either current or capital, any specific figures relative to the operations of CFI we will want the report of the official Commission of Inquiry and all of the financial data that is made available to it under the terms of their reference and under, you know, the various submissions made to it.

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MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, I wonder if the Minister is now in a position to give us some sub-headings, or details, on the \$24 million listed here under General Purposes? Can he allocate them to the various departments or programs of government?

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

MR. GRAHAM: Mr. Chairman, maybe before the Minister goes into detail on that, could he advise us of the amount of capital that was estimated in each of the last five years, and how much was actually expended in each of those years. We know that the capital borrowing, or the Estimates in some years have exceeded the requirements and we've had unexpended capital appropriations.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Mr. Chairman, I gave indication in the introduction of Capital Supply Estimates as to how much of the voted authority was actually disbursed and how much was remaining as unused but committed, and how much was both uncommitted and undisbursed, in other words a net carryover. And that figure is in the order of about \$45 million.

Honourable gentlemen opposite should realize that it is very important to the operations of continuity in government, the ability to maintain a steady and continuous flow of construction activity, both for sake of job creation and for the sake of building the kind of government capital requirements that are needed. It is necessary to have the voted authority; it is only with voted authority that it is possible to call tenders and issue and award contracts, even though there may not be any actual drawing down in many of those cases in the fiscal year for which the money is voted, but it's needed for a basis upon which to make commitments from the Crown. I will take the Honourable Member for Birtle-Russell, his question, as further notice in order to give him even further refinement.

Now, the Member for Lakeside has asked for some further specification as to the main purposes of the general — the main allocations under General Purposes, I believe that was his question, and I can proceed to do so, but in doing so I make it clear that as the Ministers of Finance last year and in preceding years have always made it clear, that these general headings, sub-headings under General Purposes, are indications of intent and the government retains the right to transfer internally under General Purposes for the greater flexibility and reduced red tape functioning of government. On that basis, Mr. Speaker, I would indicate to the Honourable Member for Lakeside that under the 24 million of General Purposes which, by the way, compares to approximately 45 million last year — there was a reduction there of about \$20 million — is an overall reduction, I should point out to honourable members, in total capital requirements of about \$120 million less than last year. -- (Interjection) -- My honourable friend is challenging my memory, but 1967 and '68 were admittedly years in which there was a diminution of the extent to which government came to this Legislature for capital authority. But my honourable friend the Member for Lakeside, if he wants to go back in time, should go back to the years of 1961, '62, '63 because, Sir, let the fact be known that -- (Interjection) -- Oh, I have no -- in this respect I have no adverse comments relative to my predecessor the former Premier, Walter Weir; I just point out to my honourable friend for Lakeside, since he raises it, that if he wants to see a pattern of escalation in a capital authority request, he should let his mind go back to the years of 1960, '61, '62, '63, '64 and '65. -- (Interjection) --

MR. CHAIRMAN: Now the Honourable Member for Lakeside knows that he is not supposed to speak from the seat of his trousers; he's supposed to be standing on his feet and recognized by the Chair.

MR. SCHREYER: Mr. Chairman, my honourable friend for Lakeside does have the advantage that he can argue both sides of the point inasmuch as in the period between '60 and '65 there was a dramatic escalation in the public debt per capita and after 1965 there was a de-escalation, so whichever mood he's in he can point to precedent and argue it either way. But let the record be clear, Mr. Chairman, that we have continued since 1966 with a rather prudent policy in terms of borrowing for the net general dead weight debt purposes of the province insofar as -- and I can tell my honourable friend, the Member for Wolseley that yes, there has been an increase, and a major one, in terms of the investment, the borrowing done for public investment in the sector of resource development, energy development in particular, and that is something for which we have no apology whatsoever because it is a case of either doing that or doing nothing, or letting it be done by the private sector, and if the private

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(MR. SCHREYER cont'd). . . . sector can incur a multi-million dollar debt, I say that the public sector is equally capable of doing that and the rewards are at the end of the rainbow, and who will get that reward. It's that sector which has the -- you might say the greater boldness and the greater public interest in mind. Surely there should not be much quibbling in this Chamber as to the distinction to be drawn between a dead weight provincial debt and guaranteed liabilities and self-sustaining debt. One is like borrowing to buy a tractor and the other is like borrowing to buy groceries, and there is a difference.

Well, apart from that perhaps over-simplified elementary lesson in the distinction of the various categories of public debt, I now want to do the courtesy of indicating to the Member for Lakeside just what these sub-categories are. Of General Purposes of 24 million, which is approximately 20 million reduced from last year, I say again, there is an appropriation of 650,000 for agriculture having to do with community pastures, land acquisition thereto, and veterinary clinics, a total of 650,000. Insofar as the next item, would be 'Consumer, Corporate and Internal Services, an amount of \$300,000 for equipment. Under Co-op Development, an amount of a million dollars for loan guarantees to the many different co-ops that have been initiated for the most part in northern Manitoba. The co-op movement, as my honourable friend from Lakeside, I think, particularly will appreciate, the co-op movement is one that had its genesis in the agricultural areas of western Canada back many decades ago, and it has developed significantly during our lifetime, maybe nothing dramatic but significant. Well, in more recent years there has been a change of venue so far as the focal point of co-op development is concerned. and now north of the 53rd parallel in the primary resource development co-ops of northern communities, there's a special effort being made, and consequently there was a million dollar appropriation in that respect.

Beyond that there is an amount of \$4,582,000 pertaining to facilities of a tangible kind required by the Department of Health and Social Development for the further social development of our province, facilities relating to mental health, relating to the School for the Retardates, relating to Juvenile Corrections, relating to crippled children and adults, relating to facilities for rehabilitation, alcohol and drug rehabilitation. In the times in which we live, this kind of money should not be begrudged because it is only with an expenditure of this kind that we can really give some effect to the old English adage that "a stitch in time saves nine"; it is only by providing adequate facilities for rehabilitation that we can hope to reduce some of the sad human consequences of unrehabilitated drug and alcohol abuse. So there's a total there of 4.5 million.

If my honourable friend the Member for Lakeside wishes further sub-identification, I can indicate to him that it relates to the Brandon Mental Hospital, the Selkirk Mental Hospital, the Manitoba School for Retardates at Portage la Prairie, the adult correctional facilities at Headingley, the juvenile correctional facilities, the Home for Girls, the old Grace Hospital, general renovations, hostel accommodation for the mentally handicapped at Tuxedo, the Society for Crippled Children and Adults, a mobile unit, and an acoustics standards test equipment, all of which, when added up, in their aggregate come to four million five.

Then we go beyond to a --(Interjection) Yes.

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

MR. GRAHAM: You mentioned alcohol facilities and yet you failed to single them out. Could you indicate how much there was for drug and alcohol?

MR. SCHREYER: Well, Mr. Speaker, there is provision made for an alcohol rehabilitation facility at Brandon, one at The Pas and one at Thompson. Unfortunately, the Minister of Health is not here just at the moment to give further particularization, but those are the three centres at which there is, what we call program planning is under way, which is a preliminary step towards having architectural drawings made, and those are the three centres in which this work will be undertaken.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MRS. INEZ TRUEMAN (Fort Rouge): Mr. Chairman, would the Premier entertain a question? I note that there is no sum specified for the development of community clinics and I wondered whether there is not some money to be expended. I don't see it in last year's estimates either. For instance, what amount would be given to Mount Carmel Clinic in its further development?

MR. SCHREYER: Well -- I'm sorry if . . . the last point. The reason why there's no provision here relative to community health clinics is because whatever is done there will

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(MR. SCHREYER )cont'd). . . . be covered by current appropriations of the Department of Health and Social Development and the budget of the Manitoba Health Services Commission, and therefore it's not in the capital division that is before you at this time. I'll check that, but I'm quite sure that's the answer.

MR. CHAIRMAN: The Honourable Member for Thompson.

MR. BOROWSKI: Mr. Chairman, I'm rather surprised to hear the Premier say that he is using the General Purpose fund; in other words he's going to borrow money regarding drug and alcohol rehab. It seems to me that this is surely a current ongoing thing and it really should be in the Health Department, but not to go out and borrow money for something that is with us, has been with us and undoubtedly will be for a long time to come. I simply don't know how it can be justified putting it under General Purposes.

Secondly, I think that the Premier should look at the idea of getting the Liquor Commission; they're the ones that's caused the problems by selling it and it seems to me that in view of the money and the great profits that they make that they're the ones that should be tapped and some of that money should be put into that program rather than going out in the market and borrowing money at six or seven or whatever the figure is, and borrow money to look after programs that we are going to be more and more involved as years go on.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Chairman, it is not as though the Honourable Member for Thompson does not have a valid point, and in fact I suppose I am forced, or put in a position where I want to agree that he is at least half right, that insofar as the operating costs - and the operating costs are even more significant that the capital costs in the long run - the operating cost for these facilities are out of current revenue, and the Liquor Commission does contribute towards the Consolidated Revenue Fund of the province, so that whether it's direct or indirect -- it's not very indirect at that - revenues from that source will go to pay for the annual operating cost of these rehabilitative services. It is the capital cost of the structures of the buildings which are in the capital estimates, but the operating costs there's no question it would be wrong and we have not put that in here, it is in the current estimates, and we have to budget for it on an annual basis, using if not in an earmarked sense, we're certainly using it in a very, in a pretty direct sense, revenues available from the Liquor Control Commission, which a deputy could correct me, I think they're running in the order of 30 million dollars plus per year.

MR. CHAIRMAN: The Honourable Member for Wolseley.

MR. ASPER: Mr. Chairman, I wonder while the First Minister is expanding his expenditure particulars, if he would tell the House and perhaps through us the people of Wolseley, when the renovations for the Grace Hospital might be commenced and completed inasmuch as it was expected, it was told to them and to myself as their representative, that that renovation, the geriatric centre would be completed by June of this year. Is there any indication as to when that money might be expended?

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, we are not perhaps right on the time target but we're not far behind. I think that the architectural work is already complete or largely completed. The Minister of Health in dealing with his estimates will be able to elaborate further, and I would invite the Honourable the Leader of the Liberal Party to pursue that if opportunity presents itself with the Minister of Health. My understanding is, based on the last briefing, that one of the wings of that hospital will not be renovated but will be taken down, and that the newer part will be renovated, and that in conjunction with that there will be a restoration of some of the homes, not all, for dispersed family housing, and that three or four of those homes that lend themselves least to renovation because of their physical shape, will be taken down and there will be a kind of a mini green area, call it a park -- that wouldn't really be the right word, but a kind of a mini green area with a fig tree under which persons may relax and contemplate. That's kind of a vague concept that is in mind and I hope that my honourable friend concurs with that general approach.

MR. ASPER: Thank you, Mr. Chairman. I appreciate the First Minister's answer and assure him that he will be given the first fig leaf to be borne by the tree to do with as he sees fit, and on behalf of the people of our district we do thank the government for its movement in this direction.



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(MR. ASPER cont'd). .

I wonder if the First Minister would secondly elaborate on his observation that he could not readily accept the suggestion that the people of Manitoba would have to write off approximately \$50 million of capital account in the Churchill Forest Industries' investment, and the reason I ask him to reconsider his comment or elaborate on it, is that is this a repudiation by him of the statement made by the Honourable the Minister of Industry and Commerce, who on two occasions now has been widely reported as having said that the public must expect a write-off of \$50 million? In further expounding the point, that our capital account should reflect this rather than carry the \$50 million as an asset when in fact it has ceased to exist in its value.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: I appreciate that I have no greater calling on the First Minister's time than any members of this House, and we're flitting between fig leaves and forestry complexes. I'm only up to \$6 1/2 million on the list that the Honourable First Minister has agreed to give us some detail up to \$24 million -- I know other members will raise whatever questions they wish to raise upon completion of that list, but I would ask, Mr. Chairman, if the First Minister could continue in giving us the details of that list. --(Interjection)--

MR. CHAIRMAN: I think the point is well taken. The Honourable First Minister.

MR. SCHREYER: Well, Mr. Chairman, I of course am setting out to try to provide all of the elaboration right down to the full amount of \$24 million, but valid questions have interceded themselves and so I have been dealing with those. I could just say, by way of a digression, to the Honourable the Member for Wolseley, that this figure of \$50 million has about as much validity as pulling it out of a cap or a hat. We're at the point where we can only venture a personal prognosis of what we anticipate will be the case in the sort of in the intermediate run. As for myself, I'm quite bullish about the prospects, others are bearish, and so it goes. But I say to my honourable friend without equivocation that I believe that the prospects for the CFI complex are in terms relative, say, to the Liner Board plant in Newfoundland or the Heavy Water Plant in Nova Scotia, or even the private enterprise pulpmill built by Columbia Celanese in British Columbia. Compared to all three of those, I'm infinitely more optimistic and bullish. And so I defy anyone to try and put at this point in time, I defy anyone at this point in time to put a figure on the replacement value or the capital repayment capability of that facility. You know despite all of the other things -- (Interjection)-- I heard my honourable friend the Member for Lakeside and of course it's a two edged sword but the other edge of the sword has a lot of cutting power too - let that be remembered. The fact remains all I'm saying at this time, Mr. Chairman, is that it is just not in the cards, it is just not realistic at this point in time for anyone to presume to put a definitive repayment capability value on that overall complex, at least insofar as the timber processing components are concerned. So far as the machine plant is concerned that's another dimension.

I go on now pursuant to the request of honourable members opposite to indicate the further sources or requirements of Capital Supply General Purposes. We have then next the Department of Highways which is asking for moneys to build a storage building, and also to proceed with pre-tendering. Now the pre-tendering doesn't all relate to northern roads and resource roads development but it is a previous practice which was, which my friend the Member for Thompson had some considerable thing to do with, policy with which I was in complete accord at all times. There is an amount there of \$6.5 million to provide for pre-tendering which I must say in the light of experience proves to be a very beneficial, very wise way to proceed, and in order to be able to proceed that way and to give contractors the benefit of the winter months in which to make preparations, repairs, etc., the flexibility is needed by way of authority in the Capital Supply Bill and so here it is, 6.5 million. And I believe, as I say, that it has already proven itself as a common sense expeditious way in which to handle highway construction.

The next point has to do with Industry and Commerce. An amount there for Manitoba Municipal Airport Assistance. This would apply to communities that have, Oh what could you call them, small municipal airports, either grass strips or gravel, all weather, and there is a modest, a modest assistance program from the province running to just a few thousand dollars per municipality.

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(MR. SCHREYER cont'd)

Then we go on to Mines and Resources, Environmental --(Interjection)-- The total of that is a total of \$200,000 that applies provincewide. It is not to be confused with the northern remote communities that have no other means of access, or have no road access. This applies to the municipalities anywhere in Manitoba that have a municipal airport in which some gravelling, grading, or minor pavement resurfacing, is concerned. That would apply for example to, could apply to Dauphin, Neepawa, Souris, - I don't know if it would apply to Binscarth or not but one's hope can spring eternal.

Then the Department of Mines and Resources. There's an amount of \$2.4 million which covers the Fish Hatchery at Grand Rapids, and which covers summer lot development for future recreation, cottage lot development and land acquisition for public recreation in the public domain. An amount of \$2.4 million.

And then an amount of \$800,000, approximately, for airstrip and warehouse, airstrip warehouse buildings in the remote communities. An amount of 870,000.

Public Works - an amount of \$7,800,000 relating to, well 7,800,000 as follows: Provincial Building, 405 Broadway, building and related facilities 1.4 million; the building of provincial office requirements in expansion and renovation and repair in rural Manitoba, in the different parts of rural Manitoba, regional accommodation as we call it \$3 million; new central provincial garage a tentative estimate, and we are not committed to go ahead with that as I have already explained in my preface, 800,000.00; emergency lighting 150,000 the Norquay Building, this relates - I'm sorry I can't give my honourable friends details but it relates to the tragic accident we had in the Norquay Building a few months ago because of the way in which the emergency plant was not properly, not really properly hooked in - and then an amount of \$2 million for the Winnipeg Convention Centre; an amount of 280,000 for the Gimli Industrial Park. That leaves us then with one major remaining component and that is Tourism, Recreation and Cultural Affairs, and here there's a number of relatively smaller items which total 2.3 million. The major ones of which have to do with - well there's still \$96,000 needed to clean up matters at the Birds Hill Provincial Park; 96,000 with respect to other provincial parks - this is capital construction mind you not operation and maintenance - \$100,000 with respect to tourist reception centres; and a statutory commitment which the province has, I guess going back, I don't know, eight to ten years where we have to pay \$43,000 to the City of Winnipeg for a tunnel, some kind of a tunnel which my Honourable friend the Member for Lakeside may have some recollection of perhaps, perhaps not.

A MEMBER: In case of an air raid.

MR. SCHREYER: In case of air raid. It's a tunnel from the parking garage under the safety building to, from there to the Centennial Arts Centre I believe, so that anyone who is in need of air raid shelter can find it somewhere between the cultural installation and the parking lot. Which would be convenient if things were to turn out that way.

Then an amount of 125,000 for ethnic cultural projects to commemorate -- this would be for projects that are of a kind that are historically commemorative of the various ethnic and cultural groups that came to this country, the ancestors of whom came to this country and went to make the mosaic of Manitoba such as it is. And under that would be sort of relatively modest grants for the building say of the, oh, I think it's a good example, I hope my honourable friend will agree, the Mennonite Village and Museum and Windmill at Steinbach, that is a very good example. As a matter of fact it's the lead example. Closely related to that would be the --(Interjection)-- Yes. Closely related to that would be the Ukrainian National Festival at Dauphin. I don't think that the Hansel and Gretel Cottage in Kildonan Park qualified but if they had applied it might have qualified. The Japanese Garden would be another example, and so on.

A MEMBER: The Icelandic Festival?

MR. SCHREYER: The Icelandic Festival at Gimli, yes, definitely. That too is a very good example, and I thank my honourable friend the Member for Rock Lake.

Then in addition to that there is an amount of \$500,000 for park cottage construction in different parts of the province. I believe this would relate to Grindstone Point. It might or might not - yes it does relate to the Whiteshell. To my honourable friend from Thompson's consternation I believe it might even relate to Hecla Provincial Park, and one or two other places.

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(MR. SCHREYER cont'd)

Then there is an amount of 300,000 for campground improvements, day-use areas, interpretive program, and other facilities relating to park improvements, including Paint Lake for example. And that would meet with my honourable friend from Thompson's concurrence too I would hope.

And finally there is an amount of 370,000 which relates to the agreement between Canada and Manitoba relative to recreation improvements on the waterfront at Gimli.

When you add all this up it comes to approximately 26 million but there is an uncommitted authority available of about 2.6 million so the net request is 24. Now there's the outline, but I point out, as I have once already, that this is indicative and it is not to be interpreted as meaning that we have to go ahead with all these because as often happens this is needed for authority to commit, to enter into contracts, and oftentimes we don't even get to spend this money, but we need the authority to enter into contracts, and some of these contracts we don't enter into at all so there's always a rollover of uncommitted authority from one year to the next.

MR. CHAIRMAN: Schedule A. Manitoba Hydro Electric Board. The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Sorry that I got here late. I would like to ask the First Minister whether he could give us the unused authorizations for each of the --(Interjection)-- they were given? Oh well, I'm sorry I didn't get them.

MR. CHAIRMAN: Manitoba Hydro Electric Board \$100 million. The Honourable Member for Pembina.

MR. HENDERSON: Mr. Chairman, the question I would like to ask is under our system of handling Hydro, we have the Manitoba Hydro and we have the Winnipeg Hydro, is it the intention of the Government to continue these as two separate companies with different rates, or is it your objective to work towards one rate for all Manitoba?

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: I'm sorry, Mr. Chairman, from what I caught of the question it's a very important question but I didn't get the whole question. I apologize.

MR. HENDERSON: Well under our present system of Hydro we have the Winnipeg Hydro which sets up the rates for central Winnipeg, and then we have the Manitoba Hydro which is, shall I say, paying for the development at Southern Indian Lake and diversion of Lake Winnipeg, and so on, and at the present time the cost of this, is being borne by the Manitoba rural people, shall we say by half the population of the province, and is it the intention of the government to work towards centralizing rates across Manitoba or are we going to continue with two rates?

MR. SCHREYER: Well, Mr. Speaker, my honourable friend raises not only an important question, he raises one that has been important historically. The only amendment I would make to his question is that when he says that half of the people pay higher rates and half lower rates that's not quite the ratio, it's approximately 3/4 and 1/4 because the customers, the Hydro customers that have the benefit of lower rates are the customers of Winnipeg Hydro, and that, Sir, is the area of the old City of Winnipeg which is approximately 240,000 population or about 1/4, less than 1/4 of the whole province.

Now as the honourable member may recall it was one of the provisions of the City of Winnipeg Act that within a reasonable period of time, and there's always a problem of defining what is reasonable, within a reasonable period of time there is to be rate equalization, and we are hopeful that that means that some time in the calendar year of 1973 this equalization will be effected. Why is it that the customers of City Hydro, or Winnipeg Hydro, have lower rates? Well in a sense it is because of the coincidence of the fact that they have two power plants which they own as a city utility, built back in the early part of this century when construction costs were very cheap and they had sort of optimum sites, the cheapest sites to develop and they developed them a long time ago, and they have not been really making provision for depreciation allowance for replacement. One of these years those plants will come to the point where they will have to be either replaced or major extensive renovations take effect, at which time there will be a dramatic surge or jump in the City Hydro rates. But as long as these two old plants can continue to operate it shows a very desirable position on paper, on the books, but it can't go on like that forever. So in the

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(MR. SCHREYER cont'd). . . meantime it's a case of using patience until that time when the city people themselves realize that their plant is one which will require expensive replacement and repair at some future date.

It is true that the whole onus for developing new capacity now rests with the Provincial Utility, which 20 years ago was no bigger than the City Utility, in fact it was smaller all through the thirties and forties, but in the last 15, 16 years Manitoba Hydro has become a major utility and has been incurring large costs of capital investment to build new additional generating capacity. We shouldn't in a sense worry about that because we are building for tomorrow and future generations will have cause to be thankful, not only to the present managers of Manitoba Hydro but those who went before such as the late Don Stevens and all those that were involved with the basic decision-making to develop the Nelson. At the risk of being repetitive I can only say that the basic decision to develop the Nelson is one with which I share the greatest and profound of agreement. But it's costing a lot of money but that money will repay itself multifold in the decades ahead.

. . . . continued on next page

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MR. CHAIRMAN: Passed. The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): I wonder if we might just revert for a moment to the detail of the 24 million that the First Minister provided, and I notice that -- No, I'm sorry, on the 24 million general purposes you gave us a detail by departments, and then when you got to Public Works of 7.8 million you gave us some figures broken down for various projects. Now I wonder could we have that for Department of Health and Social Development of 4.5 million. You mentioned they were for tangible facilities and then you listed such things as the Selkirk Hospital, the Brandon Hospital, Portage Home for Retardates, and so on. Could you give us just a little detail on that 4.5 million?

MR. SCHREYER: Yes I'd be glad to do that for the Honourable Member for Brandon West and the other honourable members. Those who were concerned about the inadequacy of 11 hours it might do them well to be here for at least those 11 hours. However, Sir, that's perhaps an observation beside the point. -- (Interjection) -- Yes, to address directly to the Member for Brandon West the Brandon Mental Hospital there are two provisions there part planned west and east renovations of 500,000, the Valleyview Building renovations of 100,000, the Selkirk Mental Hospital a trades building of 190,000, a laundry for that hospital and the nearest proximity general hospitals of 1.5 million, minor renovations to the School for Retardates at Portage of 250,000 - it's not so minor actually just say renovations then. -- (Interjection) -- Yes. The Adult Correctional Facility at Headingley 700,000 -- (Interjection) -- Mr. Chairman, I can't unfortunately give further breakdown on these correctional facilities at Headingley. -- (Interjection) -- Well, Mr. Chairman, I would hope that it has nothing to do with the golf course, the swimming -- you see there is an old Latin saying, mens sana in corpore sano, which means a sound mind can only come with a sound body - the, what do they call then now, Mr. Chairman? The residents at the Headingley facility - I believe they're called residents - there must be some provision made for recreation that is of a character-building kind (Hear, Hear) and there is a provision here for that. Now then we go on. The Manitoba Home for Girls, 350,000; the Grace Hospital, 500,000, but part of that will cover the cost of demolition of one of the old wings which is too far gone to make it worth repairing. But the other part of the hospital will be repaired. Then there is 50,000 going for hostel accommodation for the mentally handicapped at Tuxedo; 112,000 for the Society for Crippled Children and Adults; and \$10,000 for acoustics standards testing equipment - and that covers that amount that the Honourable Member for Brandon asked about.

MR. CHAIRMAN: Manitoba Hydro Electric Board -- passed. The Honourable Member for Brandon West.

MR. MCGILL: Did we get the amount for the Alcohol Rehab. Facilities in the three points in the province? I think that was one of the items that was mentioned in that -- (Interjection) -- Alcoholic Rehab. and Drug Treatment Facilities for Brandon, Thompson and The Pas. Was there an item for that?

MR. SCHREYER: No. That is one that we will have to take as notice and attempt to have the information tomorrow. -- (Interjection) -- Well I would think so but I cannot be specific there so we will attempt to have further elaboration tomorrow.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, on the first item of the Manitoba Hydro Electric Board could the Honourable Minister inform the House whether a deal has been made with City Hydro for further blocks of power or is it still under negotiation? I think I asked the question some time ago and we were informed at that time that this was under negotiation, but perhaps this has been finalized by now so that we could have an answer on it.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: No, Mr. Speaker, it has not been finalized although there have been meetings between representatives of the City of Winnipeg and the Province and the technical officials of the City Hydro and Manitoba Hydro. Negotiations, discussions, are continuing and what is probably - well I shouldn't anticipate the outcome of these discussions, Mr. Chairman, except that I do continue to hope that within the next 30 to 60 days conclusions can be arrived at for the extension of the power agreement with such revisions as can be mutually agreed upon.

I should tell my honourable friend the Member for Rhineland that there is in the present agreement certain sections which provide for, you might say, automatic adjustment, sort of

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(MR. SCHREYER cont'd) . . . . automatic adjustment provisions exist already in the present agreement, so it's not as though it would be that unacceptable if we merely had to extend the present agreement; although I must confess the present agreement really is not completely satisfactory to the Province because it does not take -- while it takes some recognition it doesn't take enough recognition of the fact that the province, that the province is spending a good deal, investing a good deal, on major new generating capacity. Yet there is a formula in the present agreement which will escalate some of the costs to the City of Winnipeg in the wholesale agreement, but that's what we have, it's a wholesale block agreement which is due to expire next I believe February or March, that's when it expires and so something new has to be put in place before then.

The Member for Rhineland I know last year had a good deal of interest as to just how the Hydro -- if we are in Hydro now -- where the major hydro capital expenditures were going, and if he wishes I can indicate to him just, just to how it all adds up if he'd wish. As he will note in the Schedules before us Manitoba Hydro is asking for an amount of \$154 million, and they are asking for \$100 million in new authority. (Just let me get myself squared away here) Yes. The Hydro Electric Board is asking for \$100 million even in capital authority but there is a carryover of authority in the order of \$86 million, so that will enable Manitoba Hydro in the next 12 month period to enter into contractual arrangements, commitments, etc., up to 186 million. Now we really don't expect that 186 million will be committed but if it is not there will be a carryover again next year of perhaps, I think it's anticipated, about 25 million, 25 million held over, so that's a kind of a contingency item.

Now within that overall amount what is the money going for? Well I can advise my honourable friend that for example generation is accounting for 123 million of that total amount as follows: The Kettle Plant will still need 20 million, and it will need 12 million next year still; the Churchill River Diversion will require 20 million this year; the Lake Winnipeg regulation will require -- and generating plant -- will require 43 million this year; Long Spruce which is being started this spring and which will be a major plant, as my honourable friend knows it will be a construction project as big as Kettle itself practically, that will need 34, 700, 000 this year; and then Hydro needs \$800, 000 for a diesel operation at Churchill; and miscellaneous of 4 million for a total of 123 million.

Next would be transmission. There is need for two million dollars to take a transmission line from Grand Rapids to the Vermillion Line which I think is near Dauphin, on the way to Dauphin, two million for a major transmission line there which in turn will tie into the tie-in with Saskatchewan. You see there is a Brandon-Moosomin tie-in and there is now also a Dauphin-Roblin-Yorkton tie-in, and this will tie in with that. So there is two million for that, and other transmission development of 2.2 million for a total of 4.2 million for transmission development.

Then \$20, 000 for a terminal station at St. Vital; \$318, 000 for Dorsey which is the -- I always forget -- that's the sending or the receiving end of the D. C. -- the receiving end of the D. C. transmission system, 318, 000 for that; 284, 000 at the sending end at Radisson up at Gillam; and a sort of a large miscellaneous list of 5 million on substations and terminals in rural Manitoba, which I can give my honourable friend if he is interested in that.

Then there is an amount of 17 million for distribution such as street lighting, northern diesel sites, replacement of northern diesel units, changes that have to be made by Hydro as a result of highway changes, district work orders, 5 million for rural district work orders. All of that amounting to 17 million.

And well the rest really - so when you add it all up it comes to approximately, I would say roughly 186 minus 26, about 160 million dollars.

MR. CHAIRMAN: Manitoba Telephone System, \$25 million--passed. Manitoba Water Services Board, \$5, 530, 000--passed. The Honourable Member for Arthur.

MR. J. DOUGLAS WATT (Arthur): Mr. Chairman, I just wonder under the Water Services Board if the Minister could give us a rough breakdown on the five million five hundred-odd on Water Services?

MR. USKIW: Would you repeat the question, Sir?

MR. WATT: I just wondered if he could give us a breakdown on the third item, Water Services Board, five million five hundred, some odd.

MR. USKIW: Mr. Chairman, I don't have a breakdown as to where it's going to be spent.

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(MR. USKIW cont'd) . . . . It's a lot of money for the current year in addition to money still available unspent from last year. We have a total of over \$7 million between the authority being requested and that that was left over from the last fiscal year, which represents the combined loans and grants program. Unless my honourable friend has a specific question I think that pretty well sums it up.

MR. CHAIRMAN: Passed. Manitoba Development Corporation, \$39,485,000 -- the Honourable Member for Brandon West.

MR. MCGILL: I would like to ask the First Minister, was there any unused authority in that appropriation last year, from last year?

MR. FROESE: Mr. Chairman, on a point of order. I asked a question before about unused authorizations and I was answered by, I think, the Whip of the NDP that this had already been given so I didn't press the matter any further because I. . . --(Interjection) -- Oh in total -- because . . .

MR. SCHREYER: The aggregate was given so if my honourable friend has -- and I gave it for Hydro -- so if he has it for any other entity he should indicate which, and we'll give that to him as well.

MR. FROESE: I would like to get them for each of the items on the paper. For Telephones too and . . .

MR. SCHREYER: Well I can do that in sort of summary fashion. I already indicated to the, I believe, to honourable members that for Hydro there was a carryover of 86 million which along with the 100 million voted would provide 186 million authority, of which we expected that 160 would be used or needed for certain, and the other 26 million it was there as a carryover. We carry over about that much each year with respect to an operation the size of Hydro.

The Telephone System there is an existing capital authority as of the end of the last fiscal year ending March 31st last, of 27 million. But I don't know the extent to which that's a meaningful figure because Telephones have had to -- just before the end of March I think they had to go out with an issue of 10 million dollars which we arranged internally -- I think in February it was. We didn't go on the market. We just arranged for it internally, and so that 10 million I'm not sure if that's to be deducted from the 27, or if that had not been done it would have been unused of 37 million. I think the latter is correct, 27 million.

The Water Services Board, there was a carryover of 2.3 million of uncommitted authority. -- (Interjection) -- No, I'm sorry. Let me be more specific. That is unused, undisbursed, but committed. Committed.

In the case of the Agricultural Credit Corporation, \$20 million in existing authority, and 16 million of that was uncommitted.

The School Capital Financing Authority, there is an existing authority of 7.5 million at the end of the last fiscal year, but it's all committed.

The Hospital Capital Financing Authority, \$30 million, of which you might say it's all uncommitted.

And those are the two main items that are completely uncommitted, or largely uncommitted, the Hospital Financing and the Agricultural Credit Corporation.

Then the Housing and Renewal Corporation, there was existing capital authority of 32 million, but that was all really authority upon which commitments and contracts are being entered into so you can't say there's any loose or uncommitted capital there.

The MDC -- who was asking that? The Member for Brandon West? There was, as I was going to indicate, roughly \$13 million of existing authority at the end of the year, but all of that 13 million was in effect committed upon, committed upon for a multiplicity of purposes, some of them conventional loans and some of it relating to the creditors' claims settlement, so that I suppose I could say in a nutshell there that of that 13 million there was none that was free for carry forward, none free for carry forward.

And the Community Economic Development Fund 1.1 million in existing authority at the end of the fiscal year, but that too was committed upon.

So I think that takes care of that.

MR. CHAIRMAN: Passed. Manitoba Housing and Renewal Corporation, \$25 million -- passed; Community Economic Development Fund -- the Honourable Member for Rhineland.

MR. FROESE: The Housing and Renewal Corporation, is that -- under what part of that Corporation's program will it be used, for what kind of housing? Is it specified?

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MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, what tab is that? I would invite my honourable friend normally to pose that question of the Honourable the Minister of Municipal Affairs but he's not here and so - my honourable friend is asking specifically what?

MR. FROESE: . . . what type of housing this will be used for. We have I think three or four different types of housing that the . . .

MR. SCHREYER: Right. Okay. Of the total amount that is being requested, of the total amount -- (Interjection) -- Oh yah. I can give my honourable friend that information in two different formats. -- (Interjection) -- The number of units would go roughly as follows: 500 units of public housing, family housing, as it would be called in Winnipeg; 500 in rural Manitoba; 500 units of elderly persons' housing in Winnipeg; 500 of elderly persons' housing in rural Manitoba; 200 -- the equivalent of 200 units in acquisition in Winnipeg; 200 in rural Manitoba, 200 units of co-op housing; and then approximately 200 units more or less in assisted home ownership; and another 200 units of home ownership in remote communities under the so-called Remote Housing Program. That's in units.

Now, if you want it in dollars it would come to approximately 18 million for family housing, urban and rural, half of which would be rural at least, 7 million for acquisitions -- and here I must confess something less than complete clarity as to whether this is for acquisition of properties or acquisition of existing houses, which would be given undergoing major renovation and refurbishing, and then 13, 500, 000, rather a large sum, 13, 500, 000 for much-needed elderly persons' housing in both rural and urban areas, about even, such as, my honourable friend will realize, such as the Ebenezer Home, for example, in Altona -- that kind of a program.

And then 200 units of co-op housing, 200 of assisted home ownership, which is about the closest thing we have to Ontario's "Home Ownership Made Easy" program; and then 200 in Remote Housing -- I think it'll actually be 300 because there's 200 being provided for here plus 100 that will be going up this year from residual funds from last year, or about 300 units of remote community decent, adequate housing.

MR. CHAIRMAN: The Community of Economic Development Fund, 2 million--passed; Leaf Rapids Corporation, 8, 500, 000--passed. The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, on Leaf Rapids, are we going to get a short report as to how far the development has gone in this connection and how far will this bring this item to completion?

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: One of the many virtues of my honourable friend, Mr. Chairman, is that he manages to pose questions in such global generalizations that he can evoke an answer that takes an hour to give, and then he just takes those few minutes that he wants and then focuses in on that, which is all fair and good. What specifically would my honourable friend like to know about the Leaf Rapids development? It is proceeding apace. The company, as my honourable friend knows, has a 50-50 or a 54 million ton copper-ore body which they intend to mine at the rate of 10, 000 ton per --(Interjection)-- No, I think per day -- 10, 000 ton per day, and they're geared to go into almost complete production by mid-year. The number of families living there already must be something approaching 200. The community is anticipated to have a population of 2, 000 in a relatively short time, with an eventual target of 3, 500 to 5, 000 population. The Crown is acting, really, as the land developer, which is rather unique. There are really two very unique features. The Crown is acting as its own land developer; and No. 2, the mining company has its mining property assessed at normal business assessment, just like a store or a manufacturing company, which was never the case before; so that while the mining company is not paying for the installation of some of the infrastructure, they will be fully taxed and will constitute approximately 60 to 70 percent of the total tax base. There will be local self government, we hope, within two years, as there will in Gillam, we hope, this year, and they will make the decisions as to what the tax rate will be. If my honourable friend has some specific questions I'll try to answer them.

MR. FROESE: I was interested more or less, we're allocating some 8 1/2 million and I don't know about the unused -- oh, was there unused authorization on this one or not? I haven't checked. But from what I understood, most of this money was being used for development of the area, for infrastructure and so on. This does not include housing, this 8 1/2 million -- (Interjection) -- It does?



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MR. SCHREYER: No, not really, because housing will be covered by mortgage financing from CMHC, MHRC -- the eight -- well, let me explain it this way, Mr. Chairman, 8 1/2 million is being requested as authority, and the reason is, it's not because we expect that 8 1/2 million will be disbursed this year; in fact the expectation is that only three million will be disbursed, but the remainder is needed as a basis upon which contracts can be signed. You see, as my honourable friend well knows -- well, no businessman, and certainly the Crown neither, can enter into contracts unless they have authority, and therefore in order to enter into contracts the value for which will be paid next year and the year after even, the authority is needed now before those contracts can be entered into, and that's why we're asking for 8.5 million which, as I say, the amount of cash flow from the public purse this year is estimated to be at \$3 million.

Now, that \$3 million, none of it is really expected to be in the nature of a subsidy because the municipal service cost will be recovered by way of a lot sale and by way of taxes. The town's centre construction, the shopping centre, is a big item, but that will be, the rentals for space will be at a rate which will recover the cost of construction of the commercial centre, so it's not as though there is any subsidization here, and that's the way it's supposed to work anyway. I mean, no subsidization or grants beyond that which would be available to the community of Altona or Winkler under Winter Works, PEP or whatever.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: Other members may be eager to get the things passed; I don't feel that way about capital spending, or authorize spending of hundreds of millions of dollars and not know what they're approving. No doubt this will come back in the form of a bill and so on, but at that time we will not be going into detail, so I think if you want to have any details it's now that we should get them. As the Minister has stated, that most of the moneys invested in this will be coming back later on in the form of rental or so on. Is it still the policy that the homes will not be sold in this Leaf Rapids project; that homes will not be sold in this project? -- (Interjections) -- They are sold? I thought at one time the statement was made by the Minister of Mines that -- (Interjection) -- Well, that's all right then. I just wanted it understood. And has the government any idea as to what the total investment will be once it is completed, how much will be required actually? -- (Interjections) --

MR. SCHREYER: Well, Mr. Chairman, as my honourable friend can appreciate, in the event of a large subdivision of development in any city or a larger town, there is a myriad of various items of expenditure which a land developer has to undergo. My honourable friend can imagine what those are; they have to do with the cost of, first of all, the cost of clearing or selective clearing, the cost of installation of sewer and water, street improvements, all of which is then recoverable in the lot prices and the sale prices of the homes, and Leaf Rapids is being handled in a very similar conventional manner, really quite conventional in that respect. I don't know where my honourable friend got the impression that the homes were not being sold to private individuals; they are being sold -- my honourable friend could perhaps put himself in the same position as if he were looking at the books of LADCO or BACF or any of the larger developers. It's really much the same kind of exercise, and the amount that's charged per lot and per house and lot is determined by the cost of getting the infrastructure in there.

Of course, we can give him greater detail if he wishes but it would really be infinite detail as to how much is being put under general municipal mill rate in terms of infrastructure, how much is being absorbed in the lot and home prices, but he should rest assured that homes are being sold by the developer, which is Leaf Rapids Corporation, the Crown, in much the same way as they would be sold in Windsor Park years ago or in Westwood or on the eastern outskirts of Winkler, the same thing.

MR. FROESE: I want to thank the Minister for advising me on this. One further point. A shareholder holding subscriptions will not be solicited for support in financing the whole development? There will be none of that type at all?

MR. SCHREYER: Is my honourable friend asking if we were selling shares on the market on this? No, but that's because, Sir, we would have preferred to not try to attract capital from private sources that might otherwise be available to go into the buying of shares for a new bank, which the credit unions in Manitoba are trying to get started up; it will need a capitalization of 20 to \$50 million and I hope that my honourable friend the Member for Rhineland will

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(MR. SCHREYER cont'd) . . . . put all of his worldly goods, as I would be tempted to do -- not that it's that much . . .

A MEMBER: Aw, come on.

MR. SCHREYER: . . . into the support, into the support of a credit union sponsored bank, instead of diverting money into shares of a land development company.

MR. CHAIRMAN: The Member for La Verendrye.

MR. LEONARD A. BARKMAN (La Verendrye): Mr. Chairman, I don't intend to hold up the committee longer than necessary, but I know last winter when we were down there holding some committee meetings there was great concern of when their final assessment and their taxes would be struck, so I don't intend to ask questions on that at this time, but as far as their huge shopping centre is concerned, I wonder if the Honourable First Minister would have the figures of how much has already been spent and how it is expected to be disbursed during this year.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Chairman, the amount that is anticipated to be actually disbursed this year is in the order of 3 to 3.5 million. There will be commitments, of course, beyond that - that's why we need the authority here, up to 8 million, but -- well, we need the authority for committing it, but disbursement will follow completion of construction and the advance in progress payments and that will not be needed. The remaining \$4 million will not be needed until next year, and we expect the commercial centre to be such that it will pay for its cost of construction when amortized over a period of -- I forget now, 20 or 25 years.

MR. CHAIRMAN: . . . passed. Manitoba Mines Resources Limited. The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, will we be getting a report on the Leaf Rapids Corporation such as we have on other Crown corporations? Will there be a separate report issued?

MR. SCHREYER: Well, I should think so, Mr. Speaker. I'll have to check that one. I assumed that there was a report circulated already, and if not I'll have to check.

MR. CHAIRMAN: . . . passed. Manitoba Mineral Resources Limited, 1, 815, 000-- passed; Manitoba Agricultural Credit Corporation, \$4 million -- the Honourable Member for Rhineland.

MR. FROESE: Has the government given any consideration to changing its mind on lending money to farmers to purchase land?

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, the present regulations, as they are and have been for the last two years, provide for that particular possibility and they have not to date been revised. We are undergoing a great deal of research into the whole question, and it appears obvious that there are areas of duplication and concern but it also could be considered that we may want to maintain some flexibility, so I don't want to give a clear answer, as I did earlier, that we will not be at all involved, but I think whatever will happen we will certainly be more careful with respect to what we would call questionable applications as to their viability, and wherein we have such situations arise, we would probably recommend to that individual or group of individuals that they exercise a lease option rather than a purchase option. But where an application is sound, we may continue on, but it would appear that there would be no purpose or that we wouldn't serve many clients in this respect because of the difference in interest rate between the MACC and the FCC. However, as a matter of principle we may not in fact decide not to do it at all. But I think, I assume that what will happen, that people will really be going to the FCC for their long-term credit; the odd one may come to MACC and if the application is sound they will approve, but by and large the numbers that we have been getting over the last two or three years have been people that might be considered to be in the high risk category and, rather than take high risk with a number of these kinds of people, we would prefer to exercise the other option.

MR. FROESE: Mr. Chairman, I want to thank the Honourable Minister for his statement. I feel very strongly on this particular item, that we should not close the door, so that there may be people who applied to the federal corporation for a loan and for some reason or other it might be refused and yet it might be a good application, so that while we may first refer them to the federal corporation to get their funds, but if they can't get it, that, certainly not to close the door, and that we keep the door open so that we can assist those people who are in need on such occasions.

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MR. CHAIRMAN: . . . passed; Manitoba Agricultural Corporation, \$4 million--passed. Resolved that there be granted to Her Majesty a sum not exceeding \$211, 330, 000 for capital expenditures. (Passed)

Schedule B, Educational Purposes, \$8, 317, 800--passed? The Honourable Member for Fort Garry.

MR. L. R. (Bud) SHERMAN (Fort Garry): Mr. Chairman, on Item (b) under that particular heading, Mr. Chairman, I wonder if the First Minister could offer a breakdown, not of a detailed nature but of a general nature, as to what is included, what capital spending programs are contemplated at the university level and whether it includes all universities in the province or any one specifically more than any other?

MR. SCHREYER: Well, Mr. Speaker, was my honourable friend asking exclusively about universities or was he also perhaps concerned about the Frontier School Division item which is involved as well?

MR. SHERMAN: I'm concerned about both, Mr. Chairman. If the First Minister would explain in general terms what is involved in that borrowing total as well as the \$6.3 million for universities, I'm sure members on this side would appreciate it.

MR. PAULLEY: What particular universities?

MR. SHERMAN: Well, I wondered whether the university item applies to universities generally, or to a university specifically, or to just precisely what?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, we are not a one-university province as my honourable friend appreciates, so my colleague's question is quite relevant.

Insofar as the University Grants Commission Capital Requirements are concerned there is an amount, for example, at the University of Manitoba itself, having to do with miscellaneous capital in the order of 6.7 million. Now I know that sounds like a lot to lump under miscellaneous but 1.5 million of that, roughly speaking, is recoverable, and I presume that is recoverable from the Government of Canada. This would relate to the Basic Sciences Building, the Food Science Building, and then the rest is simply shown as miscellaneous, in miscellaneous capital construction and renovation, for a grand total of 6.7 million.

At the University of Winnipeg there is an amount of 579, 000 having to do with, well again renovation and equipment for Centennial Hall 150, 000; miscellaneous in the order of 424, 000; and planning of 5, 000. It comes to us in that format. One would wonder why planning would be a capital item. There's 5, 000 dollars in capital planning. I suppose it's capital planning and therefore it's put in the capital budget.

Then Brandon University 583, 000, having to do with completion of the steam loop, extensions of the steam conduits 200, 000, and miscellaneous of 390, 000.

At St. Boniface College there is an amount of 1, 400, 000 for L'Institut de Pédagogique, a million of that is recoverable from the Government of Canada, leaving a net provincial of 470, 000; and 18, 000 miscellaneous.

And then beyond that there is what we call projected, although not confirmed, additional capital facilities, which I can be less than definitive about because they're just projected, but there is for example architectural, yes, architectural component of the southwest part of the Multi-purpose Building \$200, 000; University of Winnipeg Land Acquisition and Gymnasium 500, 000; and Brandon University and the University of Manitoba additional possible facilities aggregating of 500, 000, but the breakdown on that is highly conjectural.

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

MR. FROESE: On the Frontier School Division are we still building new schools or are we just replacing schools when we spend money of this type for - and I take it is for schools.

MR. SCHREYER: Yes it is, Mr. Chairman, almost all for schools in the most conventional construction sense. There is for example 1.2 million needed for a school at Wabowden, which is a community now of I think roughly 1, 000 population, perhaps more. And there is 100, 000 recoverable from Ottawa on that because of Treaty Indian utilization, children of treaty families. Cormorant 168, 000 for a three-classroom school a multi-purpose room and instructional material centre, and Indian Affairs will provide 18, 000 of the 168, 000. Then at Ilford 210, 000 for a four room, four-classroom school with one multi-activity room, a library room a staff room, a principal's office, storage and washrooms, and that is 210, 000, of which the Government of Canada will contribute 70, 000; and finally a school at Brochet, which is the

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(MR. SCHREYER cont'd) . . . . most northerly community in Manitoba outside of Churchill, and there is a school of 368, 000, six classrooms, a science room, a nursery and library, and three convertible classrooms, convertible to other purposes, and with that 18, 000 for teacher-ages, for a total of 368, 000, of which 368, 000, 150, 000 in this case is recoverable from Ottawa.

MR. CHAIRMAN: Frontier and Resource Roads \$10 million--passed. The Pas Special Area Agreement, 2, 700, 000--passed. Grants re Municipal Sewer and Water Systems \$1, 550, 000--passed. Winter Works and Emergency Programs \$13, 400, 000--passed. The Honourable Member for Rhineland.

MR. FROESE: Can we have a breakdown on that? Health for a breakdown. Is there a breakdown for the 13.4 million?

MR. SCHREYER: Yes, Mr. Speaker. Of the amount that is being requested it would breakdown roughly as follows: there's 500, 000 under PEP; Winterworks, 73 for Co-op Development, Co-op Employment Projects, this would involve Co-op - Fishing Co-ops, Pulp cutting Co-ops, and I believe one or two Sawmill Co-ops, 500, 000 there; \$4 million for Pensioner Home Repair; \$2 million for hospital renovations and repairs, but not so as to include major capital cost which is a separate financing issue. That's done in the conventional way that my honourable friend is familiar with. So there's 2 million for hospital renovation and repair. School repair and renovation, grants to school divisions of 1.3 million. Then 1, 100, 000 to municipalities for local municipal projects, which could be anything from repairing old municipal offices or municipal halls, town offices, town halls, brushing drainage ditches, brushing recreation municipal recreation areas, the renovation or repair of agricultural society buildings in which the municipalities have an involvement. Then 1, 750, 000 for local non-profit organizations such as, that are sponsoring a project which the municipality endorses, and this would include, well, as a group sponsoring Senior Citizens Homes or Nursing Homes in which there is renovation or repair, it would involve the Kiwanis, the Lions, and all of these local private non-profit organizations that may have renovations, to curling rinks, skating rinks, whatever. -- (Interjection) -- And then Northern Affairs 700, 000 for the what used to be unorganized northern local communities, which now have elected community councils, 700, 000 for local - Those really are analagous to municipal projects 700, 000; and 500, 000 to Indian Bands which for purposes of winterworks, as under the old unconditional grants to municipalities, are treated as quasi municipalities, Indian Bands are treated as municipal entities for that purpose. And that gives you an aggregate of 13,250, 000.

MR. CHAIRMAN: Passed. The Honourable Member for Radisson.

MR. HARRY SHAFRANSKY (Radisson): I would like to ask the First Minister if there have been any kind of applications for the loans under the \$14 million, which is I understand 100 percent forgivable for labour costs in the winter months, and 50 percent forgivable in the summer months, from the City of Winnipeg. I'm thinking of the Elmwood area, that people in that area in the Elmwood, Kildonan, St. Johns community area, are planning to build a sports centre, are hoping to have a sports centre built in that area. The sports centre is to be of - the skating rink, indoor skating rink and a swimming pool. Would the City of Winnipeg qualify for these municipal loans to construct such a sports centre? It would take in quite a large community in the east, northeast side of the Red River, and I believe -- (Interjection) -- well it would include Transcona if it falls into the same area. And I believe that this is something that I'd like to know whether the City of Winnipeg has made any applications in this regard?

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Chairman, I'm in your hands in this respect. The program that my honourable friend the Member for Radisson is referring to does not come under the purview of this Capital Budget. It rather comes under the Special Municipal Loans Fund which has been created by means of -- and this should please the cockles of my honourable friend's heart, the Member for Rhineland -- we have taken money from Current Account and transferred it to Capital Account rather than the other way around. We're sometimes accused of transferring to Capital in order to reduce our current spending appearances. But here we have taken Current Account moneys and put it into Capital Account, and that is intended to help municipalities that wish to apply to proceed with some worthwhile municipal project, and we leave it of course to municipal councils' judgment, and good judgment in this question, as to what their priorities of capital projects are. We are not voting money here for that purpose because it's already in that fund. We have replenished the old Postwar Emergency Fund, War

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(MR. SCHREYER cont'd) . . . . and Postwar Emergency Fund. The money for that comes from that fund. We're not asking for a supply here.

Still if my honourable friend the Member for Radisson is curious I could advise him that the administrative procedure is that any municipality need only apply and if it meets the basic criteria, which are pretty basic and not very elaborated or red tapish, then they obtain approval and they can proceed. The analogy though is that whether it be a community club in the east end of Winnipeg or whether it be the community of Woodlands, they both have to get the approval of the municipality, and when they obtain that approval then the loan can proceed and the project can proceed.

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

MR. FROESE: Mr. Chairman, the Minister mentioned that there was some \$2 million spent for hospitals. I just wonder where this money was spent because if I'm correct the Winkler Hospital has wanted an Intensive Care Unit for some years and they requested assistance from the Government for this kind of help. It was just a few thousand dollars, probably 8 or 10, 000 dollars, and they were continually denied this; and this afternoon we had a sod-turning ceremony at Winkler where the Doctors of Winkler are now building a new clinic which will have something like 6, 500 square feet, and will house and accommodate six doctors, and will cost in the neighborhood of \$200, 000, so we are getting a very good clinic, a new clinic in town. And it's brought to my attention that we seem to centralize specialists in the City of Winnipeg that we have very few specialists outside of the City of Greater Winnipeg, and yet we have some very able and capable doctors of this type in my own locality, and I think the reason we are not getting them out is because we're not providing the facilities that are required by specialists in our rural communities. Therefore I would urge that some of our money for Capital be used in rural communities to attract some of the specialists into rural areas and that they not all be centralized in the City of Winnipeg, and this is why I'd like to know whether some of this \$2 million did go to rural areas, and for what purposes?

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I couldn't agree with my honourable friend the Member for Rhineland more. There is no doubt but that in the past quarter century, certainly during most of my lifetime, during all of my adult lifetime, this has been the phenomena at work that certain professional skills needed in rural centres seem to be very elusive in terms of those professional skills staying in rural centres, and so that should make my honourable friend into a great supporter of the concept of Community Health Centres and Community Health Clinics because that is at least one of the ways in which one can see the possibility of retaining in rural centres the kinds of professional skills that are needed there. Now if the Community Health Clinics have for some unfortunate reason been misunderstood and given the aura of controversy, it's too bad. Still hope springs eternal and I would hope that the Honourable Member for Rhineland would join with those of us who feel that here is an innovative new social and health care concept that is worth fighting for. My honourable friend has done some pioneering during his lifetime in innovative political philosophy. I would hope that he would add to that some innovative pioneering spirit relative to health care and relative to rural health care centres. Because that's one of the ways in which this can come about.

On the specific question he asks as to whether this \$2 million has been more or less roughly allocated as between rural and urban areas, I think I can say without much contradiction that indeed it has. Perhaps the Minister of Health could indicate more specifically. My impression is that of the total program of hospital renovation and repair, which I ask my honourable friend to understand is quite apart from Health Service Commission financing of new structures or new, completely new wings and additions. This is renovation and repair. My understanding is that it is just about evenly 50-50 as between rural and urban hospitals.

MR. CHAIRMAN: Passed. Winter Works Program--passed. Beef Cattle Stocker Program \$2, 000, 000--passed. General Purposes \$24, 182, 000--passed. Resolved that there be granted to Her Majesty a sum not exceeding \$273, 479, . . . Order, please. Resolved that there be granted to Her Majesty a sum not exceeding \$62, 149, 800.--passed. The Honourable Member for Rhineland.

MR. FROESE: Well I don't want to delay the Estimates of the Capital any longer. I at this time will allow them to pass and qualify my support.

MR. CHAIRMAN: That completes Capital Supply.

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MR. PAULLEY: Mr. Chairman, if I may in my capacity as Acting House Leader, may I leave the concurrence of the House that you, Sir, as Chairman of the Committee of Supply be authorized to leave your present position, make a report to Mr. Speaker, and then that normal procedures follow, that is, the introduction of the bills, and then eventually we go back into Supply to continue the Estimates of the moneys to be granted to Her Majesty. If we have that agreement then we're home free but because I'm sure my honourable friend from Lakeside will appreciate that if you do now leave the Chair, Mr. Speaker, according to normal rules of procedure you could not go back and I would ask the concurrence of members of the House so we can do this.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, my understanding of the procedure is that you do now in fact leave the Chair, Mr. Chairman, having dealt with the matter in Committee and that now the Bill itself will be presented for second reading, at which time there no doubt will be some further reservations passed as to the nature of the bill that we'll be asked to pass at that time. So I concur with the Honourable the Acting Leader, House Leader, that Mr. Chairman now leaves the Chair and reports to the Speaker.

MR. PAULLEY: But the point though, Mr. Chairman, if I may, I would like to have agreement that there will be no prohibition - let me put it that way - of the House going back into Committee of the Whole to consider the Estimates of Supply. This is really the point because we're in Committee of the Supply at the present time and I would like concurrence of the House that after we've gone through the rigamarole, or the normal procedures of introduction of the bill, we can then go back into Committee to consider the Estimates.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, I do believe we understand each other except that, let me make it very clear, there would be an intention to debate the bill at second reading. -- (Interjection) -- That's fine.

MR. CHAIRMAN: Order. Do we have agreement that we -- Committee rise? The Honourable Member for Rhineland.

MR. FROESE: I'm in agreement that we have first reading but I don't know about second reading. I think we will want to look at the . . .

MR. PAULLEY: Mr. Chairman, I'm not concerned about that. All I am concerned about, Mr. Chairman, is that the rules of the House, by agreement, will now permit you, Mr. Chairman, to go back as Chairman of the Committee of Supply to consider the Estimates following . . . Okay. Every year. Right. But we have to have unanimous agreement.

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

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

IN SESSION

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

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

MOTION presented and carried.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I move, seconded by the Honourable the Minister of Labour, that the resolutions reported from the Committee of Supply be now read a second time and concurred in.

MOTION presented.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, I now assume, I see by my peripheral vision inside of my head that I'm probably correct, that now is the proper time to debate the Capital Supply Bill that is before us for second reading. There is silence in the House, Mr. Speaker.

MR. PAULLEY: Mr. Speaker, if I may on the point. The bill has not been introduced. In keeping with the resolution that came out of the Committee I believe, Mr. Speaker . . .

MR. SPEAKER: We are now dealing with the Report.

MR. PAULLEY: That's right, dealing with the report and then the bill to follow if that's agreeable.

## IN SESSION

MR. SPEAKER: Correct. Agreed? So ordered. The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I move, seconded by the Honourable the Attorney-General, 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.

MOTION presented and carried and the House resolved itself into a Committee of Ways and Means with the Honourable Member for Logan in the Chair.

COMMITTEE OF WAYS AND MEANS

MR. CHAIRMAN: Is the Committee ready to consider the resolution?

Resolved that towards making good certain sums of money for various capital purposes the sum of \$273, 479, 800 be granted out of the Consolidated Fund--passed.

Committee rise and report. Call in the Speaker.

Mr. Speaker, your Committee of Ways and Means has adopted a certain resolution, has directed me to report the same and asks leave to sit again.

IN SESSION

MR. SPEAKER: The Honourable Member for Logan.

MR. JENKINS: Mr. Speaker, I move, seconded by the Honourable Member for Point Douglas, that the report of the Committee be received.

MOTION presented and carried.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I wonder if I might, by leave just advise honourable House Leaders that there are three other steps. The accepting of the Report of the Committee, the First Reading, and then the Second Reading stage of the bill, that comes in that sequence. So on that understanding, Mr. Speaker, I move, seconded by the Honourable the Minister of Agriculture, that the Resolution reported from Committee of Ways and Means be now read a second time and concurred in.

MOTION presented and passed.

MR. SPEAKER: The Honourable First Minister.

INTRODUCTION OF BILLS

MR. SCHREYER introduced Bill No. 22, an Act to Authorize the Expenditure of Moneys for Capital Purposes and Authorize the Borrowing of the Same.

MR. SPEAKER: The Honourable First Minister.

SECOND READING - BILL 22 - CAPITAL SUPPLY

MR. SCHREYER presented Bill No. 22, an Act to Authorize the Expenditure of Moneys for Capital Purposes and Authorize the Borrowing of the Same, for second reading.

MOTION presented.

MR. SPEAKER: Order, please. The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, if I may have the rapt attention of the House for the next few moments then I will proceed to add a few comments to Bill 22, an Act to Authorize the Expenditure of Moneys for Capital Purposes and to Authorize the Borrowing of the Same, that is now before us. — (Interjection) — No, Mr. Speaker, it's my intention to speak and unless there is a disposition - if I may call it 5:30, in that event I'll have the floor at . . .

MR. PAULLEY: Mr. Speaker, maybe you could. We are pleased to give recognition to the Honourable Member for Lakeside, if you would be pleased to call it 5:30, we'll hear our honourable friend at 8:00 o'clock.

MR. ENNS: Mr. Speaker, just while we're in this agreeable mood I would ask the disposition of the government's intention. Is it their intention to proceed with the -- is it their wish to proceed with the second reading of the bill this evening, or would they consider the entertainment of an adjournment at this particular time. If so I would move an adjournment.

MR. PAULLEY: Well either way, Mr. Speaker, would be quite acceptable.

MR. ENNS: Mr. Speaker, in that event I move, seconded by the Member for Souris-Killarney, that debate on this bill be adjourned at this time.

MOTION presented and carried.

## SECOND READING - BILL 22 - CAPITAL SUPPLY

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, I wonder if it would meet the convenience of the House -- we had agreement that we would go back into Committee of Supply, that was unanimous -- I wonder if it would meet with the convenience of the House, Mr. Speaker, for you to call the Honourable Member for Logan to take the Chair as Committee of Supply, and then we'll call it 5:30 to return at 8:00 o'clock, if that's agreeable.

MR. SPEAKER: Agreed? (Agreed) The Honourable Member for Logan.

SUPPLY - HEALTH AND SOCIAL DEVELOPMENT

MR. CHAIRMAN: Order, please. The hour being 5:30 I am leaving the Chair to return at 8:30 this evening.