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of the
Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

26 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, April 25, 1978

Time: 2:30 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): I should like to draw the attention of the honourable members to the gallery on my right where we have 29 students of Grade 6 standing from the New Bothwell School. These students are under the direction of Mr. Gadiant. This school is located in the constituency of the Honourable Minister of Industry and Commerce.

We also have 120 students of Grade 10 and 11 standing from the Portage la Prairie Collegiate under the direction of Mr. Barry Bills. This school is located in the constituency of the Honourable Member for Portage.

On behalf of all members, we welcome you here today.

Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees.

MINISTERIA, STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Education.

HON. KEITH A. COSENS (Gimli): Mr. Speaker, I wish to inform the House that yesterday I signed the new Adult Occupational Training Agreement which is to be effective from April 1st, 1978 to March 31st, 1981. Negotiations relating to the agreement have been under way for some time . . .

MR. SPEAKER: Order please. Has the Minister copies of his statement?

MR. COSENS: I just have this one, sorry I'll read it . . .

MR. SPEAKER: The Honourable First Minister.

HON. STERLING R. LYON, Premier (Charleswood): I wonder if honourable members would be disposed to let the Minister finish his statement then on his undertaking he would have it distributed.

MR. SPEAKER: The Honourable Opposition House Leader.

MR. SIDNEY GREEN (Inkster): Mr. Speaker, I think that copies can be made in a very few minutes and then we can revert to Statements later on.

MR. SPEAKER: The Honourable Minister of Health.

HON. L. R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, before the Orders of the Day, I would like to make a statement to the House on the question of regulations under the Health Services Act and changes that are being made thereto and I have the necessary copies, Sir.

Mr. Speaker, I wish to announce to the House that the government is approving amendments to regulations under the Health Services Insurance Act that will provide for changes in charges to people in hospitals and personal care homes.

The first of these amendments will raise the current residential charge to residents of personal care homes from the current \$6.25 per day to \$7.00 per day effective May 1st. This increase has been required to meet increased operating costs and it is consistent with previously established policy of adjusting these fees. When the Personal Care Home Program was introduced in July, 1973, the rate was set at \$4.50 per day. Escalations in the residential charge since then were made in April 1975 in the amount of 75 cents, in April 1976 in the amount of 50 cents, and in April 1977 in the amount of 50 cents. These past adjustments did not keep pace with the rate of inflation and the rise in operating costs of personal care homes, nor does the adjustment the government is announcing today in the amount of 75 cents. These increases taken accumulatively represent a total rise of 55.5 percent in the residential charge since 1973. Operating costs of our personal care beds have increased by 133 percent during this same period.

Nonetheless these periodic increases in per diem help to offset these increased costs and make it possible for Manitobans to sustain and maintain this very desirable program for our elderly. In the remaining eleven months of the fiscal year 1978-79 this increase will provide an additional \$1,927,000 in revenue for the program.

The residential charge is established in relationship to payments residents of nursing homes can expect to receive from their pensions; namely, Old Age Security, the Guaranteed Income Supplement, and the province's supplement for the elderly. The disposable incomes these residents can anticipate after May 1st will compare favourably to those in effect in July 1973 after taking into account changes in the consumer price index. In terms of 1978 dollars the amount that single people receiving these maximum pension benefits would have left to them after paying the residential

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charge in 1973 has been calculated at \$46.59 per month. For each partner in a married couple this figure is \$35.61. Our new rate will leave single pensioners with \$61.44 and partners in a married couple with \$49.74.

It should be recognized that a number of residents have more income than this from private sources, the Property Tax Rebate, and the Cost of Living Tax Credit.

The second amendment to these regulations will enable hospitals from May 1st to charge the same \$7.00 per day for people who remain in hospital after they have been panelled and approved for placement in a personal care home. There are many patients in active and extended treatment hospitals who are waiting in these facilities for placement and they are receiving services comparable to those provided in personal care homes. Up to this time these hospitalized patients who are, in fact, receiving personal care services have not been required to pay the residential charge imposed on individuals who have been placed. The new regulation will end this inequitable situation. It is a policy that has been strongly advocated and suggested to government by many organizations and professionals in the health field, including many hospital and nursing home administrators, board members, official spokesmen for the Manitoba Health Organizations, and members of the Manitoba Association of Registered Nurses and others. These charges will affect approximately 725 patients in Manitoba hospitals and will generate \$1,700,000 in offset income for hospitals for the rest of this fiscal year. This added revenue for these facilities will help to reduce the payments they require from the Manitoba Health Services Commission.

The final amendment to the regulations will permit hospitals to raise their charges for semi-private accommodation from the current rate of \$9.00 per day to \$10.00 per day effective May 1st. The last adjustment was made in October, 1976, when the rate jumped from \$6.00 to \$9.00. These adjustments are made from time to time to compensate for increased operating costs.

MR. SPEAKER: The Honourable Member for Seven Oaks.

MR. SAUL A. MILLER: Mr. Speaker, I thank the Minister for his statements and I would like to respond the best I can since there are many points here.

Firstly, I am pleased that the government saw fit to heed members on this side and not to go through with the \$7.50 increase that was being proposed initially, and I want to commend them for it, for listening to members on this side of the House. The increase is still nonetheless about 13 percent which is a substantial amount but at least it's not as horrendous as the 20 percent as originally proposed.

I notice where the policy to now charge people who are in hospitals, long stay, I assume, and who have been panelled to be charged the same \$7.00 per day, and if I am reading this correctly, this \$7.00 will flow to the hospital as added income to the hospital, I think that's what the Minister said, and I am alarmed at that, Mr. Speaker, because if there is ever an incentive to panel people, this is going to be it, and you can't blame the hospitals. They are so squeezed by their present budgetary restraint of 2.9 percent, that they are going to be in a position, they are going to be forced to look for funds. How better to look for funds than to say to somebody who is bedridden, "Well, you may be out of here in three, four, or five weeks, we don't know, but in the meantime certainly you could be looked after in personal care homes, so we'll panel you, and by panelling you whether it's for a Level 1, Level 2, or Level 3 care, you're panelled, no great priority, but from here on in, you have to pay \$7.00 a day and that will replenish the coffers and make funds available to the hospital."

So I say there is a great danger here, Mr. Speaker, of putting the hospitals in a position where they are going to want to panel and approve for personal care home entry, many many patients, and I think that is absolutely wrong. If the government wanted to levy this charge, and there might be some justification in some instances, the money should flow to the provincial government and not to the hospitals, and therefore an inducement and incentive to the hospitals to speed up the panelling process and to panel people which otherwise they might not have done.

The other aspect of it, Mr. Speaker, is that, and incidentally on that regard, I think I am right in my interpretation of what the Minister said, because he indicated it would generate \$1,700,000 in offset income for hospitals for the rest of the fiscal year. In other words, the money will go to the hospitals.

And I'm wondering, Mr. Speaker, whether this, in a sense, sort of puts a damper on home care, because the urgency for home care is not as great. People who might be able to function in their own homes through Home Care Assistance now will not get quite that level of support. They'll go into, perhaps, a hospital, but after a while they would certainly qualify for panelling and they'd have to pay \$7.00 a day, so therefore the province is relieved of the need for a home care program, which basically is probably the most important underpinning to the entire health service to keep people out of institutions.

Mr. Speaker, I notice that there is also an increase in the semi-private accommodation, but not in the private accommodation, or is that something that the hospitals can do without having to call on government? I don't recall. I thought that the hospitals had to get approval, both semi-private and private — the Minister shakes his head, and therefore private is something that the hospitals can levy on their own. I am wondering whether the Minister later on during Question Period could answer this question: whether the policy that if a patient is brought into a hospital, and that there is no room other than semi-private or private, that that patient will be allowed in, irrespective of whether they indicate that they can afford semi-private or private. In other words, no hospital can simply set aside 10, 20, 30, 40, 50 percent of their beds as semi-private and private, and say, "Sorry, there's no room. Either pay semi-private or private or go home." Whether the policy which has been established by us that a person must be admitted, and they can be moved later on from the semi-private or private, but they

must be admitted; they cannot be turned back under any — either for elective surgery or any other kind of treatment — they must be looked after in whatever space there is, even if that space is semi-private or private.

Mr. Speaker, that's the only immediate comments I have on this important announcement by the government. I regret certain points, (a), that the increase of 13 percent is higher than increases generally have been permitted by government, so in other words they're charging people more because the government is choosing to spend less, and so it's a user fee that they're increasing on the one hand. On the other, is the danger in allowing the hospitals to retain the funds which they will now receive, the danger being an incentive and an encouragement to panel patients more readily in order for the hospitals to make up the shortfall in revenue which they're faced with again because the province chooses to lower its spending and force user fees and institutions and other agencies and government sectors to increase their costs.

MR. SPEAKER: The Honourable Minister of Education.

MR. COSENS: Mr. Speaker, I apologize for the oversight and the false start, and thank members for their tolerance. I wish to inform the House that yesterday I signed the new Adult Occupational Training Agreement which is to be effective from April 1, 1978 to March 31, 1981.

Negotiations relating to the Agreement have been under way for some time between provincial departments and the Canada Employment and Immigration Commission, and I am pleased to say that we have been able to resolve all the outstanding issues.

It is under this agreement, Mr. Speaker, that what is known as Manpower Training is carried on in the province. For the fiscal year 1978-79, \$12,721,000 will be available for the purchase of adult occupational training courses from Manitoba's Community Colleges, and such other training centres as are mutually agreed upon. Canada has agreed to provide a minimum of \$35,009,000 over the three years of the agreement but this amount may be increased as a result of such factors as the consumer price index, employment growth in Manitoba, the size of the province's labour force, and identified priority needs.

In addition, the agreement also makes provision for \$3,934,000 for the conduct of industrial training in Manitoba in 1978-79, and for unspecified amounts to be made available by the Federal Government in each of the two succeeding years.

The agreement acknowledges that both of these programs can be fully effective only where the closest consultation and co-operation exists between the two jurisdictions in the planning, implementation and conduct of activities.

It is also recognized, both by Canada and by Manitoba, that there is a need for flexibility in response to skill requirements of individuals in the context of labour market demand, and innovative projects will continue to be mounted as particular needs become apparent in this respect.

I should note, Mr. Speaker, that Canada expects to make some changes in application during the term of the agreement and we expect discussions to proceed in these matters.

Members, I am sure, Mr. Speaker, will be aware that the \$12,174,000 I have mentioned is for training, and that additional sums are available from Canada directly to trainees for training allowances.

MR. SPEAKER: The Honourable Member for Seven Oaks.

MR. MILLER: Mr. Speaker, again I thank the Minister for his statements. This is, as I see it, a continuation of a program that has been in existence for a number of years as between Canada and the Province of Manitoba for manpower training through the community colleges, and an additional one, as I see, for industrial training in the amount of close to \$4 million for the one fiscal year of 1978-79.

I am somewhat concerned with the increase in tuition fees which is being charged to students, I believe \$27 a month, is being proposed or in fact is taking place, I'm not sure which. I read somewhere that that will be proposed — \$27 a month for students in the one-year Adult Occupational Training Course — that by increasing the fees it's true that Manitoba will get cost-sharing to the extent shown here by Ottawa. In other words, Ottawa will pick up those places taken by the Federal Government through Manpower and Immigration, bought by the Federal Government, they'll be paying the full shot for the students, that is the tuition fee, and therefore they will have to pay the higher tuition fee. And I can see members opposite saying, "Well, good. The Federal Government's going to pick it up." But I'm wondering therefore whether the result will be that fewer students, fewer people, will have access to the community college and will be able to take advantage of the program, e, at the community college because if the amount of \$12 million is to be expended by the Federal Government, they have put a limit on what they are going to pay. Now, that may cover 1,000 students, it may cover 800 students, depending on how much the Manitoba government charges for that student.

So my concern is that the increase in fees which will apply both to the Canada Manpower placed student and the student who is not placed by Manpower, that although the money will be paid by Ottawa the net result will be a reduction in the number of places, the number of students, who can avail themselves of the one-year courses at the community college. And that is a matter of concern to me, Mr. Speaker, and I think a matter of concern generally to the community at large. Because we know one thing; we know that the community colleges have been tremendously successful. Their success rate is exceedingly good and high; no one argues with that. All through these last five, six

years they've really grown. And it is the one avenue, the one vehicle, through which people from many walks of life with various levels of training have been able to get some experience, get some education, get some training, and enter into the work force. And I would hate to see, because of the increased fees that are being charged by the Provincial Government, or about to be charged, I believe, that fewer people are going to be able to avail themselves of this program and therefore fewer people are going to be able to take advantage of one of the finest community college systems in Canada.

MR. SPEAKER: Notices of Motion. . . Introduction of Bills . . .

ORAL QUESTIONS

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I'd like to direct a question to the Honourable the Minister of Health. Is the announced expenditure of \$750,000 vis-a-vis a medical facility in Snow Lake, is that included in the departmental Estimates that were distributed to the members for the fiscal year 1978-79?

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: No, Mr. Speaker.

MR. GREEN: Mr. Speaker, I'd like to direct a question to the Minister of Education. Is there a provincial counterpart in Expenditures to the announcement that he has made vis-a-vis Adult Occupational Training this afternoon, and if so, is that provincial spending counterpart included in the Estimates that were distributed to the members of the House for fiscal 1978-1979?

MR. SPEAKER: The Honourable Minister of Education.

MR. COSENS: Mr. Speaker, the Manpower Needs Committee studies the number of places that will be needed by the Federal Government, and the sums that I have stated earlier in the statement on the agreement indicate the amount of places that they feel will be filled in the coming year, and that Ottawa will use.

At the same time, in my particular Estimates in Education, the number of places that they propose that will be filled are also covered.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I am asking whether, given the new agreement that is signed, the amount of spaces that would be made available under the new agreement, is there a provincial counterpart in Expenditures that will be available which is not included in the 1978-79 Estimates that have been distributed to the honourable members?

MR. COSENS: Mr. Speaker, the counterpart that the honourable member refers to is covered in the Estimates.

MR. GREEN: Mr. Speaker, then can we take it that as of today, that the amount of supplementary Estimates that had been introduced by way of notice, within one week of the conclusion of the Budget Debate, is \$4 million as of yesterday, another million today; \$5 million in one week?

MR. SPEAKER: The Honourable First Minister.

MR. LYON: Mr. Speaker, I'll attempt to respond to what I presume was a question by the honourable member by saying that I can't vouch for the accuracy of his figures at all with respect to supplementary, but there will be supplementary Estimates brought before the House to cover any changes such as revenue and expenditure that are announced by way of policy announcements, as has been done with every previous government. Indeed, last year, I believe my honourable friends announced some 30-odd million of supplementary supply for certain programs, so there is nothing unusual in the procedure whatsoever.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, the Honourable First Minister shouldn't be so defensive. I don't know that I had said anything critical. I will ask, Mr. Speaker, if the honourable member, if he is not aware of the figures and is not aware of the increased drunken sailor spending spree that his government has gone on in the last week, whether or not the Minister of Tourism did not introduce the fact that there will be approximately \$3,700,000 in Supplementary; that the Attorney-General introduced approximately \$250,000 increased spending for Parks, and that the Minister of Health has increased \$750,000 today?

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

HON. ROBERT (Bob) BANMAN (La Verendrye): Mr. Speaker, after having been asked the questions with regard to the \$400,000 yesterday with regard to the Tourism Development Agreement as signed by myself and by the Acting Minister of Finance, upon closer checking I am advised by the Department of Finance that there are funds available from appropriation under the Canada-Manitoba General Development Agreement, that appropriation is found on Page 79 in the printed Estimates and totals some \$2 million — it is the current appropriation and the Minister of Finance can transfer these funds assuming they relate to the General Development Agreement to whatever department requires them. So this procedure is not new and has been in effect for several years.

MR. GREEN: Mr. Speaker, one further question. I wasn't referring to new procedures, I was asking whether my figures of increased spending over what is contained in departmental Estimates. Is it not correct that we were talking about \$3,700,000, \$250,000 and another million today?

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

MR. SAUL CHERNIACK: I'd like to direct a question to the Acting Minister of Finance. In view of the fact that there seems to be some lack of knowledge relating to the unexpended portion of Capital Loan bills of the past, could the Honourable Acting Minister provide for us as quickly as possible, information as to uncommitted, unraised, unspent Capital Authority that was available on November 1, 1977 and March 31, 1978?

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

HON. EDWARD MCGILL (Brandon West): Mr. Speaker, I would accept that question on notice. While I am on my feet, Mr. Speaker, I would like to respond to one or two questions that were asked on previous days.

Yesterday the Member for St. Johns asked a question relating to an Act under consideration in respect to appeal procedures, and I can tell him that there is an appeal procedure regarding any decision of the Commission, that is, the Securities Commission, is contained in the Securities Act, Section 29.

Mr. Speaker, further to questions by the Member for St. Johns, there were questions from the Member for St. Johns and also from the Member for Brandon East regarding the operations of the Pensioners' School Tax Assistance Program which was announced in the Budget. The Member for Brandon East asked whether pensioner homeowners who already receive property tax credits sufficient to cover their full school taxes will be eligible for the additional assistance. The answer to that, Mr. Speaker, is no. The new program was devised in recognition of the difficult situation facing many pensioner homeowners with school taxes in excess of \$375.00, that is \$375 which is the maximum amount covered by the Property Tax Credit Program.

In the light of the problems these particular pensioner homeowners face with school taxes, the new measure provides up to \$100 in added school tax assistance to cover those school taxes in excess of \$375.00.

The Member for St. Johns requested information on the number of pensioner homeowners who had their full school taxes covered prior to the new measure and the number of additional pensioner homeowners who would have their full school taxes covered as a result of the government's new initiative. The latest estimates prepared by the Department of Finance, Mr. Speaker, estimates based on the 1975 property tax credit and income tax returns, with information on incomes, exemptions and deductions and property taxes adjusted to 1978, suggests that of the 44,426 pensioner homeowners in the province, some 25,542 would receive sufficient property tax credits to offset their full school taxes while the new assistance measure will increase this by 7,848. An additional 11,036 will receive benefits not sufficient to cover their full school taxes.

The increased assistance expands the portion of pensioner homeowners with school taxes covered by provincial assistance from approximately 57 percent to about 75 percent. In total, the new assistance, in combination with current property tax credits will have the following effects by income tax range: 88 percent of pensioner homeowners with incomes of under \$5,000 will have their full school taxes covered by provincial assistance; some 69 percent of pensioner homeowners with incomes between and \$5,000 and \$10,000, will have their full school taxes covered by provincial assistance; approximately 52 percent of pensioner homeowners with incomes between \$10,000 and \$15,000 will have their full school taxes covered by provincial assistance; and 32 percent of pensioner homeowners with incomes in the \$15,000 to \$25,000 income range will have their full school taxes covered by provincial assistance. Approximately 12 percent of pensioner homeowners with incomes

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in excess of \$25'000 with have their full school taxes covered by provincial assistance.

While these figures speak for themselves, Mr. Speaker, I think it is fair to say that the new assistance achieves the results promised in our election campaign last fall to provide assistance sufficient to cover school taxes for the vast majority of pensioner homeowners in this province and, more particularly, those on middle and low incomes.

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

MR. CHERNIACK: Mr. Speaker, I'd like to thank the Honourable Minister for his response. May I ask whether, in view of the compassionate concern of the present government for the people earning in excess of \$15,000 and indeed, in excess of \$25,000 to assist them in payment of education taxes, whether he will not reconsider and review the impact that increased taxation, increased cost of living and reduced government services to tenants should not rate them as being entitled to that kind of compassion that they're showing to homeowners in the high income categories.

MR. SPEAKER: The Honourable Acting Minister of Finance.

MR. MCGILL: Well, Mr. Speaker, I believe that the information which I provided to the member and to the House indicates that this government has a great deal of compassion for pensioners who own their own homes and who are in the lower income tax brackets and we have extended the number of pensioners substantially who are now able to say that they have no school taxes on their total tax burden. So I think, Mr. Speaker, that the direction in which this government is going is very clearly demonstrated by the measures we have taken.

MR. CHERNIACK: Thank you, Mr. Speaker, and I thank the honourable member for elucidating that they are carrying out their promises to their supporters but, Mr. Speaker, the question I asked was whether they are prepared to extend this kind of consideration to tenants who do not own homes but nevertheless are bound to pay high rents especially at a time when we are facing removal of rent controls. The question was directed; it was not answered, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY: Mr. Speaker, I have some questions for the Minister of Manpower and Education concerning his statement that he made today. Could he be a little bit more specific and indicate what this new agreement means in terms of the number of actual places that will be available for students in Manitoba for occupational training and would it be the same number or a greater number made available as a result of this agreement than was available last year?

MR. SPEAKER: The Honourable Minister of Education.

MR. COSENS: Mr. Speaker, to get the exact figures I'd have to take that as notice.

MR. AXWORTHY: Mr. Speaker, then can the Minister also indicate whether this particular agreement fulfills any of the commitments that have been made by the government to offer any special training programs for areas which have been particularly hard hit by unemployment problems. I'm thinking particularly of the area of Thompson and certain parts of the inner city where the rate of unemployment is 18 or 20 percent and where there is need for new retraining. Do we assume that this Occupational Training Program will have any special relevance or whether any special provisions for people in those areas to be affected by this program?

MR. COSENS: Mr. Speaker, I think it's reasonable to assume that this agreement will meet some of the needs that the Member for Fort Rouge has mentioned.

MR. AXWORTHY: Well, Mr. Speaker, I have two following questions, then. One is, in respect to this agreement, is the Provincial Government prepared to offer any assistance to the community colleges for the construction of additional housing units to supply the students who will be available under this Occupational Training Program considering that there is no housing available, particularly at Red River Community College, and that they have made those requests. That would be one question.

Secondly, can the Minister indicate whether, in signing this agreement, he followed the guidelines set by his leader and that he admonished and scolded the federal officials for spending \$30 million in the Province of Manitoba, and was he forced to sign this agreement, or amounts, against his better judgment or against the fact of extended federal spending in the Province of Manitoba?

MR. COSENS: Mr. Speaker, on the first question, I can assure the member that the Red River Community College Students' Association has a proposal regarding housing before us at this time and we are looking into it and reviewing it and looking at the possibilities for that type of housing being provided.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. HARVEY BOSTROM: Thank you, Mr. Speaker. My question is to the Acting Minister of Finance following the line of questions initiated by the Member for St. Johns. In view of the fact that the present government seems to have a great deal of compassion for those who are making over \$20,000 a year and thereby paying \$100 a year of their school taxes. Will they reconsider the decision which was announced today by the Minister of Health and give some of that same kind of relief to those old age pensioners in personal care homes who are now on the basic old age pension, have a new tax imposed on them of approximately 35 percent of their personal disposable income. And that is, by way of explanation, Mr. Speaker, they now have approximately \$60.00 a month left over, after paying the old rate, from their basic old age pension. After the new rate is imposed on them, Mr. Speaker, they will only have about \$39.00 which is essentially a 35 percent tax on these people.

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: Mr. Speaker, I must respond to the insinuations in the honourable member's question and remind him that the disposable income that is available to residents of personal care homes as outlined in my statement is considerably in excess of the disposable income that was provided when the universally insured Personal Care Home Program came into effect under the previous government in July, 1973, and that the income support programs, the income programs of our senior citizens, particularly old age security and guaranteed income supplement are indexed quarterly, that every three months that disposable income will continue to increase and that the honourable member himself was a Minister of the Crown in an administration that raised the per diem in personal care homes three times during their administration.

MR. SPEAKER: The Honourable Member for Seven Oaks.

MR. MILLER: Mr. Speaker, further to the reply made by the Acting Minister of Finance, I recognize — (Interjection) — Well, if the Minister of Public Works would restrain himself for a second I might even get around to asking the question. May I have your co-operation. Thank you.

Mr. Speaker, to the Acting Minister of Finance, does he have the same concern and compassion for people who have not reached the magic age of 65, and who have far less than \$25,000 a year with which to maintain their homes?

MR. SPEAKER: The Acting Minister of Finance.

MR. MCGILL: Mr. Speaker, to the Member for Seven Oaks, we do not confine our sympathy and compassion for any particular age group. There are others in our society who are equally worthy of the support and the concern of our government.

And while I'm on my feet, Mr. Speaker, I would like to respond to the Member for St. Johns. I am advised that in reply to his question just a few moments ago that 95 percent of all pensioners who are tenants have their school taxes offset by the tax credit system at this stage, so that there are that percentage in total do pay no school taxes on the present forum.

MR. MILLER: Mr. Speaker, a supplementary to both the answer given and the new statement. To deal with the new statement first, I wonder if the Minister could give the House, table to the House, the calculations on which these estimates are made, and how he arrived at these figures of 95 percent and 52 percent, and so on, and so forth. I wonder whether those tables, those figures and calculations, could be given to Members of the House.

Further to the reply that the Minister made to me that the government does indeed have compassion for all income levels, and since sympathy, — sympathy, I think, is the word he used — sympathy doesn't pay bills, but money is required, does he not consider that rather than launching this program of zeroing in on someone who has reached the magical age of 65, but whose incomes could be well in the \$20,000 or \$25,000, as we have heard, that it would have been fairer generally to the general population if in fact more equitable, if in fact the program of property tax credits had been increased so that people could qualify based on income and not just on age.

MR. SPEAKER: The Acting Minister of Finance.

MR. MCGILL: Mr. Speaker, the way in which the Member for Seven Oaks places his question certainly is an invitation to debate and I know, Mr. Speaker, you would not permit that at this stage. But in response again to the Member for Seven Oaks, the option to do some of the things which he proposed in his reply was not available to us because of the time and the forms which would have been necessary. However, one does not have to consider that the particular options that were adopted and explained in the Budget Speech by the Minister of Finance were necessarily the full and complete measures in this respect, that there will be other years and other opportunities in which other factors can be considered.

MR. MILLER: Mr. Speaker, I know that there will be other years and that's what worries me because I am afraid what they're going to do next year may be even worse than they're going to do this year.

The question is this. The Minister says there was no time and it would be very complicated. Mr.

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Speaker, isn't it so that the program, the Property Tax Credit Program has been in existence for a number of years, there's a minimum and a maximum, and that in fact the simplest things to have done without having to work through municipalities or anybody, wouldn't the simplest thing to have been done to simply raise the limits, minimum and maximum, on those existing well established smoothly operating programs.

MR. SPEAKER: Order please. May I suggest to the honourable member that his question may be argumentative rather than asking for information.

MR. MILLER: Mr. Speaker, with all due respect, I am not arguing, I believe the Minister is arguing. He made the statement, he made the statement, that in fact they didn't have an opportunity and it was far more complex, it was a very difficult thing to judge. I am accepting his statement and I am simply asking him whether in fact he is not wrong. I'm asking whether he is not wrong in saying that it's more complex and more difficult to have simply enhanced, enriched the former program and that in fact it was far more difficult to come up with this screwy scheme they have come up with.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. RUSSELL DOERN: Mr. Speaker, I wanted to direct a question to the Minister of Industry and Commerce. Given that there are advertisements in today's paper for the disposal of Morden Fine Foods, does the government have a reserve bid or is it prepared to sell at any price?

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

MR. BANMAN: Mr. Speaker, I understand that the Manitoba Development Corporation has placed some ads in the paper asking for offers for the sale of Morden Fine Foods. It will be handled I understand in the same manner as the others. They are asking for offers only and I would imagine if the offers are not acceptable to the MDC board they will not be accepting any offers.

MR. DOERN: Mr. Speaker, has the government or the MDC set any conditions regarding present jobs at the plant or in relation to local farmers crops, etc.?

MR. BANMAN: Mr. Speaker, the company is operating. I understand that they have entered agreements with different growers in the area, the company will be operating this season as I have indicated in the past but the MDC board is asking for offers for that particular company and when they have had a chance to look at the offers I am sure they will make a recommendation to the Minister.

MR. DOERN: Mr. Speaker, could the Minister briefly outline any programs or efforts recently made to make the Company stronger prior to the sale so that he could obtain a better price rather than a worse price.

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

MR. BANMAN: Mr. Speaker, I'm sure that the Board of Directors as well as the management of Morden Fine Foods are undertaking every effort to try and develop a proper marketing system and a cost accounting system, also try to make that plant as efficient and viable as possible

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

MR. URUSKI: Thank you, Mr. Speaker. My question is to the same Minister. What assurance can the Minister give to the farmers in that area that that plant will continue in that location beyond this year, or is he going to give them the same assurance as he gave the people of the Selkirk and area about the boat.

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

MR. BANMAN: Mr. Speaker, I think we discussed that at some length during the Estimates of the Manitoba Development Corporation that were just passed in the House, and I think if the member wants any further information he should read the Hansard with regard to that.

MR. SPEAKER: The Honourable Minister of Labour.

HON. NORMA L. PRICE (Assiniboia): Mr. Speaker, I would like to reply to the Honourable Member for Kildonan. He asked me for some figures regarding the Civil Service the other day. I'd like to tell him that there never was a figure of 373 layoffs; there were 349; 148 were civil servants, 201 were contract or term that were less than a year of employment, and of the civil servants we have just slightly over 100 that are still to be redeployed.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. LEONARD S. EVANS: Thank you, Mr. Speaker. I would like to address a question to the Minister of Labour in her capacity as Minister responsible for the Civil Service. Can she advise the House whether there has been a government directive issued to the negotiating team to offer clerks in the Civil Service, or indeed others in low-paying categories of the Civil Service, either very, very low or in some cases no salary increases for the forthcoming year.

MR. SPEAKER: The Honourable Minister of Labour.

MRS. PRICE: Mr. Speaker, I don't sit in at the bargaining table and at this point I think it's confidential, but while I'm on my feet I would like to answer a question that the Honourable Member for Brandon East asked me last week about the impact of inflation on the minimum wage rate. I have a fairly detailed report here and I will table it if he would like. However, I'd like to briefly summarize some of the major findings.

The procedure that has been used by our research division is in comparing the minimum wage with the industrial composite average weekly earnings calculated on an hourly basis. In the first quarter of 1977 Manitoba's minimum wage was 54 percent of the average weekly earnings. This was second only to P.E.I. where the minimum wage was 58 percent of the weekly average; in all other jurisdictions the percentage was lower.

A year later in the first quarter of 1978 Manitoba is still second in the country at 52 percent while P.E.I. is 55 percent. I might point out that in October 1973 the minimum wage rate was 51 percent of the weekly wage rate and in December 1977 it was 51.4.

In summary, Mr. Speaker, the position of the person working at the minimum wage rate compared to the industrial composite average weekly earnings has not changed substantially. Again I repeat that we compare very favourably with the rest of Canada.

MR. EVANS: I thank the Honourable Minister for the answer and I'll be interested in seeing the document so that we can study and analyze it.

Further to my earlier question to the Minister with respect to salary adjustments for the Civil Service in the forthcoming year, the Honourable Minister replied that she is not party to the negotiations, but is it not correct, Mr. Speaker, I'd ask the Minister, is it not common for governments to give general policy guidelines to the negotiating team; I think that is quite appropriate. I'd like to know whether there has been a general policy guideline given to the negotiating team to offer either very very low or zero increases to those people in the Civil Service in relatively low-ranking positions.

MRS. PRICE: Mr. Speaker, as I mentioned earlier the negotiating at this time is of a confidential nature and we don't negotiate in the Chamber.

MR. EVANS: Well' Mr. Speaker, is the Honourable Minister advising the members of the House that no guidelines, no directives whatsoever have been given to the negotiating team because that is the inference that is being left. There are no guidelines, no directives whatsoever. I would like to ask her to clarify that perhaps by asking the Honourable Minister whether the government is now considering giving greater than average increases to those in the top-ranking levels of the Civil Service as recommended, I believe, in the Government Task Force on organization and economy.

MRS. PRICE: Mr. Speaker, I've already mentioned that it's of a confidential nature and I will not discuss it in the Chamber.

MR. SPEAKER: The Honourable Member for Transcona.

MR. PARASIUK: Thank you, Mr. Speaker. My question is to the First Minister. Can he confirm that it is a general policy of the Government of Manitoba to contract out work for the government to private companies through the tendering process?

MR. LYON: Mr. Speaker, there are a number of areas where this government and previous governments from time to time have contracted out. In some cases the contracting out, as my honourable friend will be aware, is done by tender; in other cases — I can think of professional services — very often it is not tendered. But that's a general statement. If he has any specifics he wants information on I'd be happy to try to get him specific information.

MR. PARASIUK: Thank you. Yes, I have one specific. Was the recent awarding of the Securities Services contract for Autopac to the Metropolitan Investigation and Security Company done through a formal tendering process?

MR. SPEAKER: The Honourable Minister of Public Works.

MR. ENNS: Mr. Speaker, I'm prepared to accept that question as notice and undertake the information for the honourable member, but I can certainly indicate to him that the general practice with respect to the hiring of security people other than our own staff is by tender.

MR. PARASIUK: Yes, will he also take as notice the question, "How much is the contract for for that particular contract for Autopac?"

MR. ENNS: Mr. Speaker, I'm fully aware of the particular situation that the honourable member is alluding to and will be prepared to make a statement with respect to that. From time to time there are difficulties that arise that preclude the normal tendering practice.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I have a question for the Minister of Health. I wonder if he could confirm reports that in the past two weeks there has been a series of firings and transfers in the Alcohol Foundation of Manitoba. Can he confirm that that indicates a substantial cutback in the kind of out-patient clinic services that the Foundation is now offering in the City of Winnipeg?

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: No, well, yes and no, Mr. Speaker. There are some adjustments being made at the headquarters in administrative level of the Alcoholism Foundation here in Winnipeg. I'm not prepared to confirm that there have been a series of firings and transfers. There is a reorganization being conducted by the Executive Director of the Alcoholism Foundation and I haven't received a final report on that yet, but it's geared to the argument that an administrative review was necessary at that level of the operation. As far as the program and service areas in the rest of the province are concerned that is definitely not the case.

MR. AXWORTHY: A supplementary, Mr. Speaker. . In terms of these adjustments that are taking place, can he indicate whether the adjustments will in effect curtail the kind of clinical or out-patient services that are available, and can he confirm that, at the present time, there is only some 30 to 40 caseloads being held by the Alcohol Foundation for the entire City of Winnipeg, and does he intend to examine whether in fact that caseload is the proper number for a foundation which should be offering a full range of services for alcoholism in the Province of Manitoba?

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: Well, Mr. Speaker, I share the honourable member's concern with respect to alcoholism treatment and prevention. All I can tell him at this stage is that the operations of the Alcoholism Foundation of Manitoba are, and have been for some time, under intensive review by the government, by my department. Some reorganization is going to result from that. I would be in a much better position to discuss it in more detail with him on my Estimates, but the emphasis has been on administrative reorganization and preservation of programs and services.

MR. AXWORTHY: A final supplementary, Mr. Speaker. Can the Minister indicate whether the foundation has been contacted or interviewed by members of the Task Force on government reorganization and economy and are they now involved or responsible for undertaking some form of the management of this reorganization of the Alcoholism Foundation?

MR. SHERMAN: Yes and no, Mr. Speaker. Yes, they were scrutinized or reviewed by the Task Force; no, the Task Force is not involved at this point. It's a departmental review and examination that's being conducted by my department and the directorship of the Foundation itself.

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

MR. GREEN: Mr. Speaker, I'd like to direct a question to the Minister of Labour. Would the Minister of Labour advise whether she has received from the Attorney-General a report as to whether he is going to take any legal action against the Manitoba Government Employees Association for using a symbol of the government similar to what was done by the Progressive Conservative Party last year?

MR. SPEAKER: The Honourable Minister of Labour.

MRS. PRICE: Mr. Speaker, it was actually irrelevant giving it to the Attorney-General, I wanted to just prove a point of how the MGEA was prepared to upset their membership very unnecessarily when the numbers and the information they were bandying about was not correct.

MR. GREEN: Mr. Speaker, is the Minister of Labour telling us that the statement in the press release that she is referring this matter to the Attorney-General to see whether it is fraudulent or illegal was a fraudulent statement?

MR. SPEAKER: The Honourable Member for Kildonan.

MR. PETER FOX: Thank you, Mr. Speaker. My question is addressed to the Minister of Labour. In the figures she quoted that there were only 349 people laid off, some contract and, of course, some

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civil servants, that 48 were redeployed, is she telling us now that there was really no waste, that the Task Force on economy was really not telling the truth when they said there were thousands that would have to be laid off?

MR. SPEAKER: The Honourable Minister of Labour.

MRS. PRICE: The rest of the people that have left the numbers have been through attrition.

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

MR. URUSKI: Mr. Speaker, a question to the Minister of Labour. Is she now telling the House that there were no 373 persons laid off as her Leader had mentioned several weeks ago, that there were 373 persons laid off? Who is correct?

MRS. PRICE: That was just a figure, at first, Mr. Speaker, that was mentioned, but the final figure was 349.

ORDERS OF THE DAY

GOVERNMENT BILLS — SECOND READINGS

MR. SPEAKER: On the Adjourned Debates on Second Reading, Bill No. 2 - An Act to amend The Distress Act. The Honourable Member for Selkirk.

MR. PAWLEY: Stand, Mr. Speaker.

MR. SPEAKER: Bill No. 3 - An Act to amend The Provincial Judges Act. The Honourable Member for Selkirk.

MR. PAWLEY: Stand, Mr. Speaker.

MR. SPEAKER: Bill No. 4 - An Act to amend The Highway Traffic Act. The Honourable Member for Selkirk.

MR. PAWLEY: Stand, Mr. Speaker.

MR. SPEAKER: Bill No. 9 - An Act to amend The Mortgage Brokers and Mortgage Dealers Act. The Honourable Member for Kildonan.

MR. FOX: Stand, Mr. Speaker.

MR. SPEAKER: The Honourable Government House Leader.

HON. WARNER H. JORGENSEN (Morris): I move, seconded by the Minister of Consumer and Corporate Affairs that Mr. Speaker do now leave the Chair and the House resolve into Committee to consider 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 Radisson in the Chair for the Department of Mines and Natural Resources and the Honourable Member for Crescentwood in the Chair for the Department of Agriculture.

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY — AGRICULTURE

MR. CHAIRMAN, Mr. Warren Steen: Come to order. We have a quorum. We left off yesterday afternoon on Page 11, Item 11. Acquisition and Construction of Physical Assets, item of \$375,000—pass — The Member for Ste. Rose.

MR. ADAM: Yesterday we adjourned to allow the Minister and staff to obtain information that seemed to have the Minister baffled and the staff as well. And we get to wonder when we look at the estimates of the Department of Agriculture, the answers we have been receiving, the way it's portrayed in the estimate, s — and looking at the estimates for the Department of Highways, seem to be shown differently in the two departments. I wonder if the Minister has that information that we

requested yesterday.

MR. CHAIRMAN: The Minister of Agriculture.

HON. JAMES E. DOWNEY (Arthur): Mr. Chairman, I would like to clarify a couple of the items. One, the fact that within the Department of Agriculture, this is the first opportunity they have had to discuss in Committee the actual capital expenditures of the water services during the past years, that the Department of Finance has carried all the capital estimates, so the reason for a delay in some of the figures that the Committee is now having an opportunity to take an in-depth look at the department, and certainly is the reason for some of the delay. The information had to be assembled within the department; we have that information and would be prepared to go forward. If they would like to identify some of the major questions they would like to start with, I'd be prepared to carry on.

MR. CHAIRMAN: The Member for St. George.

MR. BILLIE URUSKI: Mr. Chairman, if I understand the Minister correctly, he wishes the members to pose the questions again. Is that what you're saying?

MR. DOWNEY: If there are specific questions. . .

MR. CHAIRMAN: The Member for Winnipeg Centre.

MR. J.R. (Bud) BOYCE: On a point of order, Mr. Chairman. We interrupted the consideration of the Department of Agriculture to allow the Minister to have time to get answers to some specific questions, and the Minister undertook to provide the answers to these specific questions. If he wants us at this time to re-question him on it we will have to get Hansard and re-read the questions, but — some the Minister undertook to provide answers to specific questions were made by the Member for Seven Oaks, some by the Member for Lac du Bonnet and some by myself, and we are anticipating answers to these questions.

MR. CHAIRMAN: The Member for St. George.

MR. URUSKI: Mr. Chairman, the Minister indicated that this was the first time that the department has had an opportunity to discuss the capital estimates of the Water Services Board in Committee. Well, Mr. Chairman, just for the benefit of the Minister, the capital estimates bill is presented to the Legislative Assembly by the Minister of Finance and every Minister under whose department certain capital estimates are being requested, has to remain and be sufficiently clear on what kind of spending his department wishes to do, so that this is not the first opportunity that the department — maybe the officials, it's the first opportunity that officials have had to come to Committee, but certainly the department has had to be prepared and know the background information of the extent of the capital Estimates that they are requesting even though the bill was being piloted through the Assembly by the Minister of Finance.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. DOWNEY: Yes, that's what I believe I indicated, Mr. Chairman, that the review of the Estimates where Water Services have been conducted under the Minister of Finance it is, in fact, the first time the department has had the responsibility directly answering the questions with the Minister and I just wanted to indicate that was the original reason why we would take a few minutes to gather the information.

MR. CHAIRMAN: The Member for Winnipeg Centre.

MR. BOYCE: Well, Mr. Chairman, not to be picayune but nevertheless the department does not answer questions in Committee, the Minister answers questions, always has, and always will, I hope.

MR. CHAIRMAN: The Member for Lac du Bonnet.

MR. SAMUSKIW: Well, Mr. Chairman, I'm not sure that I heard the Minister correctly. Is he suggesting that the department did not deal with the Capital Estimates in the Legislature last year?

MR. DOWNEY: No, Mr. Chairman, what I was saying was that the department did deal with the Estimates in the Legislature but under the Minister of Finance, not directly with the Department of Agriculture. It's my understanding from the department.

MR. USKIW: Well, Mr. Chairman, for the benefit of the Minister I think we should point out that the various Ministers who did have capital expenditures in the Capital Supply Bill were indeed responsible for, and responded to questions during the debate so that in essence each Minister carried his own capital supply item through. And now that they're lumped into the department then obviously we have no choice but to discuss the capital requirements in the Committee of the Whole

House.

MR. DOWNEY: Yes, okay, Mr. Chairman, I would respond to the questions raised yesterday by members opposite regarding the resolution under 18 — Acquisition and Construction of Physical Assets, which are in voted Estimates — we were discussing voted Estimates, which, in fact, this year's program shows \$375,000 on the right-hand column; the column on the left-hand showing \$2,365,000.00. I believe the initial question was, in fact, what does the \$2 million — because the \$2 million was voted in Schedule B, voted in last year's Estimates in 1977 Loan Act, is the reason for it to be put in place there and not be put in this year's place as with the transition of the budgeting procedure that the increased request for the department's expenditures will appear in next year's Estimates because of the control of expenditures government are going to have we feel that the application for projects of any approval of the money will be the procedures that will be followed.

Under the, the reason for the \$2 million in the left-hand column over the 375,000 as I said was because of the 1977 Loan Act and I would just like to carry on and say that the displaying of the voted Ccapital of the \$2 million for 1977-78 are in this year's Estimates as an additional information for the Committee, and this has never been disclosed by the former government, in fact, is a more open-book method of government operation.

SOME MEMBERS: What! What is he talking about? Point of privilege.

MR. CHAIRMAN: Let the Minister finish his statement. He is reading from a prepared statement.

MR. DOWNEY: The carry-forward, Mr. Chairman, in Schedule B, any carry-forward in voted Estimates has never been shown in any public documents in the government — in the past government — that is, the estimated carry-forward that is a voted amount. This is the first year that that has been shown, and as I said, it has been shown because of the last year's 1977 Schedule B' Loan Estimate.

A MEMBER: Mr. Chairman . . .

MR. DOWNEY: So, if I am allowed to continue, Mr. Chairman . . .

MR. CHAIRMAN: Yes you are.

MR. DOWNEY: . . . the 1972, 1973 voted, which was \$1,124,000, the carry-over for that year was \$1,124,000, that amount, Mr. Chairman, was allowed to be spent in the following year but that amount was never shown in the following year's voted Estimates. We go to 1973, 1974, we have \$1,550,000 voted and we have a carry-over of the amount of \$2,328,587 which in fact was never shown in that next year's voted amount in Estimates; in 1974-75 the voted amount was \$3,100,000; the carry-over, Mr. Chairman, was \$3,669,928, which in fact was not approved, or was not shown in the next year's carry-forward in voted Estimates; the 1975-76 was a voted amount of \$1,850,000; the carry-over was \$3,910,055.00. That amount, Mr. Chairman, was not shown in the next year's amount of money available for Expenditure, and were not in the voted Estimates for that year. The 1976-77 voted was \$1,800,000 and the carry-over was \$4,531,070 which were not in the next year's voted Estimate book but available for expenditures within the year. And in the 1977-78, the \$2 million voted amount carried forward, which we, in fact, in our change-over of budgeting procedure, have put in the left-hand column showing that its the 1977 voted Estimates, that \$2 million is in the voted Estimates. The carry-over is \$5,134,000 — I think we were estimating at 5.4 yesterday, or 5.134. The Board expects to spend up to the 3.5 million on previous commitments as well as amounts which will be required for any new commitments to come forward for approval. Any remaining amount of the 5.1 million that is not spent in the 1978-79 will lapse at March 31, 1979 and will be requested again in the 1979-80 Estimates.

In conclusion, Mr. Chairman, the previous Minister of Agriculture has never provided a public statement on Ccapital Aauthorities carried forward either in printed Estimates, Loan Bills, or Public Accounts of the province.

MR. CHAIRMAN: I have three speakers that have indicated they would like to speak, firstly, the Member for Winnipeg Centre; secondly, the Member for St. George,; and thirdly, the Member for Lac du Bonnet.

The Member for Winnipeg Centre.

MR. BOYCE: Well, first of all, Mr. Chairman, the government has announced that they are going to change the procedures, they're going to include Current and Capital. And of course, that is within their terms of reference; they have the authority to do this. But they can't make this retroactive, Mr. Chairman. The Minister uses misnomers all the way through his presentation; he talks about voted Estimates. There were two things that we considered in prior years, capital bills, which the Legislature authorized the government to raise moneys to spend for capital projects, and that was the procedures in the past. Capital accounts were kept separate from the Current. And to suggest at this stage of the game that they can go back and change retroactively that procedure is just ludicrous, Mr. Chairman. The fact that they were putting in the Estimates — reprinting, actually, the Estimates, because the left-hand column of the book represents the Estimates which were approved by this Legislature last year. They have no authority to change that figure, none whatsoever. If they want to

show it as a voted authority to spend certain amounts of money relative to those Estimates, and then add into it as a footnote or something else, fine. But to try and kid the public of the Province of Manitoba that what they're doing is accepted accounting procedure is just absolutely ludicrous. The fact that when the Minister says that there was no accounting, that too is ludicrous. Because every year the Public Accounts Committee of this Legislature meets and goes over these things, and ultimately, all of these figures have to jibe. If it hadn't been the case, the Provincial Auditor would have been screaming murder for the past years, and he hasn't.

So we still don't know. We get one song and dance from the Minister of Agriculture, and we get another song and dance from the Minister of Highways. Now you can't have it both ways. You can't accuse us of having spent money and then, as if it was spent last year — and the Minister advised us the last time that he was before this Committee, Mr. Chairman, that they weren't only trying to charge us with moneys for last year, those that they were going to spend this year, but there's some that they intend to spend next year. And we asked the Minister specific questions, and the Minister undertook to answer these specific questions. And I'll have to go back and get Hansard to find out my specific questions, but one of them was the amount of moneys that were included in that \$2 million — a portion of that \$2,365,00, I think it is — which had actually been spent last year, that was contemplated on being spent this year, and that portion of it that the Minister has said is going to be spent next year. This is just absolutely ludicrous, Mr. Chairman.

MR. DOWNEY: Mr. Chairman, to go back to the voted Estimates which I was referring to that in fact we, in changing the budgeting procedure, we are now showing the last year's budgeted Estimates, that the carry-forward would come into this year, and I think he wanted to know the expended amount of the last year amount too — it was one of the questions he asked — and that was \$1,397,000, which in fact was spent out of carry-forward from the previous year's Loan Allocation or the Grant Allocation out of Schedule B, and none of the actual \$2 million was spent, but there was expenditures by the last government without showing anywhere in their Estimates where it was spent.

MR. BOYCE: Mr. Chairman, I understand that it wasn't . . . why should somebody put into Estimates the figures which are relative to Public Accounts? Because that's what you're suggesting should have been done each year. And I suggest that if you're going to follow this procedure that you're going to include in your Estimates moneys which are, from time to time, necessary to be spent by special warrant or some other emergency expenditure, and this has never been the practice. I don't know if the Minister understands. What you're doing is trying to change the vote of the Legislature. The Legislature voted certain funds to be raised for capital expenditures, and that was a separate item; it is still true that that money voted under that kind of an instrument of the Legislature does not lapse at the end of the fiscal year. Your changing your accounting procedure doesn't change that back, but nevertheless, it hasn't been the practice in the past to account for those in the Estimates because the Estimates are moneys which the government contemplates to spend relative to the current account. Now you're changing that; you've got to change your practices, I understand that but you can't go back retroactively and say that the moneys which were spent on capital accounts should have been included in your Estimates. It just doesn't make sense.

Mr. Chairman, the Minister just said that of the \$2 million which they have put in the book relative to the 2.365, that 1.3 of that was spent last year but that wasn't of the \$2 million it was of existing authority which had existed prior to last year.

MR. DOWNEY: That, Mr. Chairman, was expended by the government last year and it was taken from transfer of authority from the year accumulated or from the year before which was not shown in last year's expenditures or their Estimates.

MR. BOYCE: Well, Mr. Chairman, I just don't know how we can get through this impasse, because the Minister is saying that the government has to print in Estimate Books what they expend, which isn't the procedure of the Legislature. It's a matter of order, Mr. Chairman. The Minister is referring to another document which is called Public Accounts, where the government accounts for the moneys that they have spent and it is presented to another committee of this Legislature. This has been the procedure in the past where Capital Accounts and Current Accounts are combined in Public Accounts and are accounted for to the public of the Province of Manitoba through that instrumentality. Now what he's trying to suggest at this point in time is that he's gone back to, not last year, but the year before that, picked up \$1.3 million and charged it against the prior administration, where it becomes part of that sum of \$135 million deficit now.

MR. DOWNEY: Mr. Chairman, I think there has been some concern by members opposite that we have not included the figures in the right-hand and the left-hand column at the bottom to come up with the amount of money saved or cut back by the Department of Agriculture and I would just like to — so we have a fair comparison — if we added all the carried forward moneys, the voted Schedule B moneys carried forward, totalled to the left-hand column, we would have a total amount of approved expenditures in voted Estimates of over \$41 million. And if we were to add that same comparable figure to the right-hand column, we would have, in voted Estimates, something over \$34 million still showing a saving in the Department of Agriculture of over \$6 million, which we have certainly shown in the beginning of our Estimates.

MR. BOYCE: Mr. Chairman, the Minister persists in saying that Capital Accounts in the past were part of voting Estimates. It's not the case and I want to underline it; every time the Minister uses that expression, I will underline it, that in prior years Capital Accounts were voted it was a separate amount and it was accounted for through the process of accounting in the Public Accounts of the Province of Manitoba. To suggest at this point in time, just because they want to include Current Accounts and Capital Accounts in one accounting procedure which, if you did in private business, the income tax people would put you in jail — nevertheless, they choose to do this, but they cannot make their procedures retroactive. He even says that the \$1.3 million of this, once again, was not from last year. But if you check Hansard, you'll see that that's what you said, that the \$1.3 million was an accumulated authority to spend for prior years, prior to last year, so how could you, even with what you have said, print \$2,365,000 when the \$1.3 million was for the year prior to that? The Minister can't answer that question or won't answer it — one of the two.

MR. CHAIRMAN: The Member for St. George.

MR. URUSKI: Mr. Chairman, before I make any remarks, I have a couple of questions. Can the Minister tell me, in the figure that he gave of \$5.134 million, the carry-over from previous voted Capital Estimates, is within that figure the amount of \$2.365 million?

MR. DOWNEY: Mr. Chairman, yes it is. No, the amount of \$2 million is in that figure, Mr. Chairman.

MR. URUSKI: Two million. Is the amount that is shown on the left-hand column for the acquisition, \$2.365 million, where is that shown, or is that not part of the \$5.1 million?

MR. DOWNEY: Yes, it is.

MR. URUSKI: Or is that in addition to . . .

MR. DOWNEY: That \$2 million is part of that, Mr. Chairman.

MR. URUSKI: That \$2 million is part of that. Then what portion of the \$2.365 million has been committed?

MR. DOWNEY: Pardon?

MR. URUSKI: What portion of that \$2.365 million has been committed?

MR. DOWNEY: Mr. Chairman, that amount of money is committed.

MR. URUSKI: What portion of it has been spent either last year in 1977-78 or in the first month of this current year?

MR. DOWNEY: As of March 31st, none of the \$5 million has been spent.

MR. URUSKI: Has any of the \$2.365 million been spent?

MR. DOWNEY: The 365, Mr. Chairman, that has been spent.

MR. URUSKI: When has it been spent, in which fiscal year?

MR. DOWNEY: In the 1977-78 fiscal year.

MR. URUSKI: So if that amount was spent in the 1977-78 fiscal year, and if you are bringing forward the capital amount — now I'm not even sure whether I'm right in saying this — but if it was spent, and you're bringing it forward, why would you not show the \$2 million figure only, if you had already spent it?

MR. DOWNEY: Mr. Chairman, we have not spent the \$2 million; we have only spent the \$365,000 so we've only carried forward the \$2 million.

MR. URUSKI: Okay. One other question, can the Minister tell me whether that \$5.134 million that has been carried forward and is going to be used in this fiscal year, is that part of the overall deficit figure? Does that make up the entire provincial deficit?

MR. DOWNEY: Mr. Chairman, our department did not calculate the deficit. That will certainly be a question for the Minister of Finance.

MR. URUSKI: Mr. Chairman, there is no doubt yesterday that the Minister of Agriculture indicated that he could not answer those questions and that he would get the officials of the Department of

Finance to bring that matter forward. It may very well be that we may have to ask that question in the Department of Finance Estimates — if they're not — but I distinctly recall that that was one of the main reasons that we adjourned the committee yesterday to try and get this information as to whether or not that figure — what actually was the carry over. Is the Minister now, and I want to get this clear — that the actual carry over of Capital Estimates into this year is \$5.134 million.

MR. DOWNEY: Mr. Chairman, correct. The \$5.1 approximately is a carry over as I've indicated in previous statements.

MR. URUSKI: Right. Is the Minister able to indicate whether or not that figure would make up the deficit figure that has been toted about?

MR. DOWNEY: Mr. Chairman, as I've indicated we did not as the Department of Agriculture calculate the deficit. That certainly can be answered by the Minister of Finance.

MR. CHAIRMAN: The Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, we, as I understand it, have established then that we are proposing to vote \$29,829,900 as new requirements for the current fiscal year to which we then add \$5,134,000 of unused capital carry over for a total of \$35,300,000 in round figures of spending for the current fiscal year. Is that correct?

MR. DOWNEY: No, it is not, Mr. Chairman. What we are talking here is voted authority, and you, I believe, brought out would it be a cash expenditure, and I am saying no, it is voted authority for this year that we are asking, the Estimates for voted authority of \$29,829,900.00. Comparing it to the left-hand figure, as I have stated, if you want to add the totals to the procedure as you have done in the past and compare, we are still down \$6 million.

MR. USKIW: The reality is that the voted authority on the capital side was not spent in previous years. It was a surplus and, Mr. Chairman, every year when the Minister of Finance introduces his Capital Supply Bill as I recall it he reports unused authority from the previous year to the Legislature, and therefore it is fully accounted. I don't recall of a procedure that does not account for unspent moneys from one year to another when new Capital Supply is asked for in the Legislature under the Capital Supply Bill. That's a logical follow through from one year to another and certainly a logical thing for the opposition to require or ask for. So, Mr. Chairman, the Legislature deals with the capital spending proposals as well as the question of unused capital authority from previous years, and that is debated and is subsequently approved.

Now the Minister's problem arises from the fact that they have decided to lump the capital and current into the Estimates procedure. That is his difficulty. So Mr. Chairman, I ask again, we are voting new authority of \$29,829,900 and there is existing authority of \$5,134,000 — is that correct?

MR. DOWNEY: If that is the case, Mr. Chairman, then last year there was voted \$36 million with the additional of a capital carry over of over \$4,500,000 to put the left-hand figure at this point, the \$41 million figure with a reduction in agricultural expenditures of \$6 million.

MR. CHAIRMAN: The Member for St. George on a point of order.

MR. URUSKI: Mr. Chairman, the Minister is not saying the truth. The fact of the matter is, Mr. Chairman, that those Estimates that he is now wanting to carry forward were approved by the Legislature in previous years. They were voted upon and they were approved. Whether they were used or not they were recorded in the Estimates of the Province of Manitoba. He is now saying that they were not recorded. That is not true. The fact of the matter is the Capital Supply Bill was voted in this House, although they were not part of these specific current expenditure Estimates that bill was voted in the House, and the fact of the matter is there was approval in the House in previous years.

MR. DOWNEY: Then, Mr. Chairman, we will have to stick with the voted Estimates as they are presented in this book right here .

MR. CHAIRMAN: Are you on the same point because we have other speakers? The Member for Lac du Bonnet still has the floor.

MR. USKIW: Mr. Chairman, the point is that the Minister and the new government have added the capital supply amount into the left-hand column and he doesn't indicate to us in any way in these Estimates what his unused capital allocations were from previous years. So he's attempting to have the luxury of showing a high spending position last year with respect to the previous government and at the same time showing a lower spending amount for the current fiscal year by the new government but with the luxury of having \$5 million extra to spend. That's what he's asking for. And if he wants to change his accounting then he should have had a notation here, Mr. Chairman, that he is actually going to have an authority, a total authority, of \$35.3 million that can be spent in this fiscal year. That's really what authority he's going to have by adding \$29 million to existing authority. And he can't

escape that, Mr. Chairman. He tells us it's not spent. He has the authority to spend it and he's asking for \$29 million additional authority. That gives him \$35.3 million.

MR. DOWNEY: Mr. Chairman, on the same authority last year the last administration had \$41 million of authority to spend in that year.

A MEMBER: We didn't spend it.

MR. DOWNEY: We haven't spent ours yet either. It's authority, voted authority.

MR. CHAIRMAN: The next speaker, or questioner on my list is the Minister of Highways.

MR. USKIW: Mr. Chairman, I wasn't through.

MR. CHAIRMAN: The Member for Lac du Bonnet.

MR. USKIW: I want to ask the Minister whether he can bring us the answer to the question that was put to him yesterday, and that is whether any of this portion was part of the \$180 million deficit position that we now have arrived at as of a week ago.

MR. DOWNEY: Mr. Chairman, the deficit position is calculated by the Minister of Finance. That is the department to ask the question of.

MR. USKIW: Mr. Chairman, yesterday it was requested of the Minister that he go back and find out whether any part of these moneys, the \$5.134 million were part of the deficit as announced by the government as being \$180 million as of about a week ago, and the Minister indicated to us that he was going to go back to get the information and provide that information for us here today. I want to know what the answer is.

MR. DOWNEY: Mr. Chairman, as has been indicated many times by myself in my remarks, the Minister of Finance has the department that calculates the deficit and it certainly would be a question for that department when his Estimates come before the Committee.

MR. USKIW: Mr. Chairman, I then ask this Minister why it was necessary to recess yesterday. If it was not for the purpose of determining these answers and bringing them back here today — that's the very reason why we couldn't complete our considerations yesterday, and now we have the Minister coming back to us with no new information.

MR. DOWNEY: Mr. Chairman, as I stated in my opening remarks, because of the fact that it is the first time the department has had the opportunity to debate these within the department, that it hasn't been handled by Finance, that these were some of the reasons we had to take notice and get some of the answers for the questions. And I stated quite clearly yesterday that that particular part of it was a question for the Minister of Finance; it is his department that calculates the deficit.

MR. USKIW: Mr. Chairman, I am certain that if one looks up the record for yesterday's debate, one will find that the Minister agreed to consult with the Department of Finance. As a matter of fact, there was a discussion with his staff here in our presence, who suggested they may need until today to consult with the Department of Finance in order that they can bring those answers to this Committee today. Now we find the Minister does not want to consult with the Department of Finance, or has consulted, and doesn't want to relate the information to this Committee.

MR. DOWNEY: Mr. Chairman, the decision I have made, and I have told them that the Minister of Finance is the individual; it is his department that calculates the deficit and it is his department that should be questioned.

MR. CHAIRMAN: The Minister of Highways.

MR. ENNS: Thank you, Mr. Chairman. I think we can clear up some of the difficulties since it is obvious what the opposition questioning is attempting to do, and in fact if their questioning were to prove correct then it would be a serious matter. But the Minister's reluctance to answer this question is also appropriate in the sense that the Minister of Finance unquestionably carries the responsibility as to how the deficit that has been talked about has been arrived at. I am satisfied that the Minister has advice from Finance that can indicate clearly, and this is the central question for the benefit of all members and members of the media, that the \$2 million or whatever that figure was that was talked about, does not in fact form any part of the deficit that was announced, the \$181 million. Now if the Honourable Minister can indicate that, I think that we can short circuit this debate and bring this to a conclusion.

MR. CHAIRMAN: The Member for St. George is next on the list.

MR. URUSKI: Thank you, Mr. Speaker. The Minister of Agriculture today really is trying to have the best of both worlds. He indicates that had the previous administration added the capital authority that they had, their spending estimates for last year would have been \$41 million. That is the statement that he has been making. Mr. Chairman, that is correct, but the fact of the matter is, those estimates in previous years of the Department of Agriculture showed annually the capital requirements of that department that they were requesting every year. And the Minister read it out himself. He indicated that there was in 1974-75, \$3.1 million capital requested; 1975-76 there was \$1.85 million requested, and in 1976-77 he indicated there was \$1.8 million requested; all those amounts were voted upon and approved by the Legislature for that year, including 1977-78, the \$2.365 million. Those estimates in those years had been given approval by this Legislature, and they were voted upon. Now what the Minister is trying to say, that even though they were voted on and they were recorded in those years, that is not the right method of accounting. He says, if you didn't spend that money, you should have shown it in those years. Well, I want to tell the Minister, that there was a debate in this Legislature I believe on the Manitoba Housing and Renewal Estimates at one time, where the opposition attacked the government of the day that their capital requirements in housing were very low, that their housing program would be very small. And the Minister of Housing of that day got up and said, "Aha, but we have a \$10 million authority from previous years which we will be utilizing in this year." Now if the Minister had done that in his accounting here, and said that there is \$29.8 million of estimates that we are going to be spending, and there will be an additional \$5.134 million carryover from previous authority, that would have been a different story. But he said, "No, we are not spending that amount of money."

I am prepared, Mr. Chairman, to allow the Minister of Agriculture to pass these estimates of \$21.829 if that is all he is going to spend; if all the authority that he has in the previous years will lapse as of last March, then that is a different story. If he is prepared to tell this Committee that he will spend \$29.8 million and no more, and the authority that was approved by the Legislature in previous years will lapse, let him say so, then we are prepared to pass it; but let him not get up and say that he is only going to be spending \$29.8 million and not spend the \$5.134 million that is being carried over.

MR. CHAIRMAN: The Minister of Agriculture.

MR. DOWNEY: Mr. Chairman, I don't believe in this Committee I have said that I am only going to spend that amount of money; I am asking for it in this year's estimated vote. The explanation for the \$2 million difference in the point that is being discussed is because of the change in the budgeting; it was in last year's voted estimates that it appears that way in the changeover in the voted grants — that is the explanation for it. And if you completely compile all the figures to put in the left-hand column over the past accumulated authority and add them to the amount in comparison to the right-hand column, you come up with a total \$41 million in excess on the left-hand column, and approximately \$34 something on the right-hand column, and you still come up with a \$6 million reduction in expenditures in the department for voted estimates.

MR. URUSKI: Is the Minister suggesting that there was not prior approval in the Legislature of the capital funds that he is talking about. Is the Minister suggesting that?

MR. DOWNEY: Mr. Chairman, no, I am not suggesting that.

MR. URUSKI: Is the Minister then saying that all he is going to spend in capital funds this year is \$375,000.00?

MR. DOWNEY: No, Mr. Chairman, I have not said that.

MR. URUSKI: Then what is he suggesting? Let the Minister tell me what he is going to spend in capital funds this year. I want to know.

MR. DOWNEY: Mr. Chairman, if the member — in his estimate that the Water Services Board has from the capital carryover in Schedule "B" approximately \$3.5 million to be expended in the coming year.

MR. URUSKI: Where does the Minister get that authority?

MR. DOWNEY: Mr. Chairman, it is a carryover of the voted authority from the previous estimates.

MR. URUSKI: If it is, then the Minister is going to spend it. Why isn't it included in the right-hand column then?

MR. DOWNEY: Mr. Chairman, because the right-hand column is voted and not expenditures.

MR. URUSKI: But Mr. Chairman, the Minister just indicated — that's my very point — the Minister just indicated that last year's spending Estimates would have been \$41 million, when that is totally false, because the fact of the matter is these Estimates were approved and shown in previous years'

Estimates. They were approved by this Legislature. They were shown in each respective year that they were requested, and they were there. They were shown every year. No one on this side has indicated that we were not going to spend that money — these Estimates were there. But what is being created, in effect, is an actual slush fund for the Minister of Agriculture to make his books look better this year in comparison to the previous years, because of the unused capital requests that were there. That's what the Minister is trying to show to the public of Manitoba. It is not an accurate bookkeeping account at all.

MR. DOWNEY: Mr. Chairman, that is certainly not as I have explained it. I have explained it very fully, that the change in the accounting procedures within the department, that the amount requested in the voted Estimates for this coming year, that the amount of \$375,000 as compared to the \$2,365,000 of last year, the reason for the entry in the left-hand column which, as I have stated in my opening remarks, has never been carried forward in the voted Estimates in the years that were in question, that in fact it is the first year that it has been exposed to the committee to debate. In the changing over of the budgeting and the voting of Estimates that we have indicated that in there because it was 1977 Loan Act vote, and that is the reason it is there.

MR. CHAIRMAN: The next speaker on the list is the Member for Seven Oaks.

MR. MILLER: Thank you, Mr. Chairman. I don't quarrel with the Minister when he says that this has nothing to do with the deficit — we aren't talking deficit now. What we tried to indicate yesterday, was that the format being presented not just to us, but to the media, the public of Manitoba, that the format being presented is creating a misconception in the minds of the media, the minds of the public and in the minds obviously as a matter of fact of information services, which is the government's own instrument for disseminating information.

What we have before us is this dilemma, that authority was voted in previous years — no question — and that authority is there and it's good for now, and it's good for next year and if you don't dip into it, it is good for another ten years until such time as the Legislature decides to cancel that authority — it's there. We are not quarrelling with that. What we are objecting to is this: That if you look at this book, and if you hear the government speak through various voices — the Minister of Finance, the First Minister, etc., and information services and through them, the media — one would get the impression that there is, for instance, a drop, that this year the Department of Agriculture will be spending less because they are dealing with the Main Estimates of Expenditures. That's what it's called on the label, on the cover — the Main Estimates of Expenditures — and it's now combined. It's not just current, it's capital as well. So the Main Estimates of Expenditures is what the cover on the book shows, gives me the impression, initially, and it seems everybody else, that, in fact, the department will be spending less money than last year. But now we know that not only is the \$29,829,900 not the amount they are going to spend, that's simply a vote of authority to which you can add another \$5.1 million, but which you certainly will be adding \$3.5 million, which is now, I believe that you just indicated a few minutes ago, that the projects have already been identified and \$3.5 million will be the cash flow from which the money is flowing from the department.

So the dilemma facing us, and I say not just us but everyone, is because of the change in format, which in previous years was very clear — it was current account versus current account. This year you've got current and capital combined on the right-hand side and you are combining current and capital on the left-hand side, but you are only including the 1977-78 capital vote. You are not including the previous capital authority votes, so you've stopped just shy of showing the whole picture. And so you're right, if you take all the capital authority on the left-hand side, you'd come up with a figure \$41 million or whatever it is, and I don't question that, except some of that is already spent so I don't know what you'd have left over. But certainly, it would be a truer picture of what you are going to be spending and what you are going to be doing, what your program is going to be delivering in 1978-79 — we are talking about delivery of programs. It would be truer if there had been a footnote, or some sort of clarification, which indicated the bottom line on the right-hand side, but as well a footnote to indicate that you have authority given to you by votes of the previous government to spend an additional \$3.5 million, and that is not shown here at all. So that of this 5.1 of this year you are going to spend 3.8. Next year, you may show another drop, because you still have \$2 million voted in authority in previous years — it could go back to 1972-73, or 1973-74. So you'll have a pot, a little fund available to you, at all times, to be able to deliver programs at seemingly very little cost, because you will be able to show a lower figure on the right-hand side than you'll actually be spending. And so it will always appear and in your case you will still have after this year another \$2 million, next year you may even show a decrease again in your department. You might even do that, knowing full well that you have another \$2 million in that little pot there that you can dip into when you need it, for the purposes of this program.

So the concern we have is that the nature of the presentation is such that it is not only confusing, it is misleading the public into believing some of the rhetoric that we've heard in this House about the management skills of this particular government in restraining, and basically what has been restrained are services to people, certainly they've been restrained in grants to institutions and hospitals, and so on, but I don't see the restraint translated here because you have voted and you have at your side and available to you, \$5.1 million which was voted by the former government and for which we were criticized because of the big capital authorities we were seeking even though we didn't necessarily spend them.

MR. DOWNEY: Mr. Chairman, are there any other questions from the members?

MR. CHAIRMAN: Yes, I have the Member for Rupertsland followed by the Member for St. Johns.

MR. CHERNIACK: I, for one, am looking forward to hearing from the Minister before we go on.

MR. DOWNEY: Mr. Chairman, on the voted Estimates that we are discussing, as I indicated earlier . . . The Honourable Member for Seven Oaks indicates that if we were to go back past the \$2 million voted Estimates that were carried over from last year and placed them in here, as I have indicated that is part of the new, or it's more of an indication to what is taking place on an ongoing basis, and with the changing over of getting approval before we enter into all the projects that the money has to be voted NT39 in the year to come. I think as I have indicated that if we were to add the overrun from the Capital Authority in Schedule B, as I stated earlier, that to add the additional amount of overrun to the \$2 million that we are showing this year we would come to a total of \$41 million, in excess of \$41 million in the left-hand column of voted unexpended authority by the previous administration. That would make the column on the left-hand side at \$41 million and if you were to add the 5.1 approximately that we have been discussing, to the 29.8, we would come up with a total of just under \$35 million, showing a reduction of expenditures in the Department of Agriculture of \$6 million, which in fact we have not misled anyone.

MR. CHAIRMAN: The Member from Rupertsland.

MR. BOSTROM: Thank you, Mr. Chairman. The \$5 million that you are talking about, 5.134 million, this money, as I understand it, has not been expended by your department in the last fiscal year. Is that correct?

MR. DOWNEY: Mr. Chairman, the 5.1 million that is referred to has not been expended, but is allocated to projects.

MR. BOSTROM: It is allocated to projects. What projects are those and how much is allocated of that to each project?

MR. DOWNEY: Mr. Chairman, there are 39 projects, and I believe the full amount is allocated.

MR. BOSTROM: Are those projects ones which cannot be terminated or let lapse at this point? Are they actually committed to the point of not being able to hold those funds back?

MR. DOWNEY: Mr. Chairman, there are signed agreements on almost all of those projects.

MR. BOSTROM: So that the 5.134 million that you are discussing here is actually going to be included in the expenditure of your department for the fiscal year 1978-79.

MR. DOWNEY: Mr. Chairman, it is estimated that approximately 3.5 of it will be used this year, because of the ongoing nature of the projects.

MR. BOSTROM: In other words then you are saying that there is approximately \$2 million that is not committed of that 5.1 million.

MR. DOWNEY: It is committed, but the projects will not be completed this year because of the nature of the installation of the water systems.

MR. BOSTROM: I have been listening to the arguments and the questions back and forth and I believe that it would be much more honest for your prepared Estimates this year if you would have included the 5.134 million in the right-hand column so that we would know exactly what you are estimating as your expenditures.

MR. DOWNEY: As I have indicated in our debate prior to this, the previous administration has never indicated in its current voted Estimates the amount of money that has been carried forward from the Schedule B in prior years in the Estimates that are being debated, that that has not in fact been part of the department's voted Estimates. In fact we are now in our government showing what has been carried forward from last year's voted Estimates.

MR. USKIW: No, you are not.

MR. DOWNEY: Mr. Chairman, the \$2 million that was voted last year in 1977. . .

MR. USKIW: Where is it shown?

MR. DOWNEY: In the left-hand column.

MR. USKIW: Where is it shown in the right-hand column?

MR. DOWNEY: Mr. Chairman, we are not voting it again this year, it has been voted in last year's Estimates.

MR. CHAIRMAN: The Member for Rupertsland.

MR. BOSTROM: Mr. Chairman, it appears to me that you introducing a completely new system of showing the accounts. We will not be considering a Capital Supply Bill in the same sense that we have in previous years. So why is the amount that you are claiming to spend in this year not included in the right-hand side.

MR. DOWNEY: Mr. Chairman, it was in voted Estimates from last year.

MR. BOSTROM: Mr. Chairman, I still maintain that it should be shown on the right-hand side as an expenditure estimate for the fiscal year 1978-79, given the kind of accounting system which you are introducing. Mr. Chairman, I believe it would have been more honest for the government to show the amount as being unexpended by lapsing that Capital Authority in the last fiscal year and re-introducing it this year to show that it is an expenditure to be expended in the year 1978-79.

MR. DOWNEY: The member opposite is quite aware of the fact that because the money in their voted Estimates did not have to be and was not, in fact, indicated in any of their voted Estimates for the year that they were in, they are recommending that we are wrong by doing it this way.

MR. BOSTROM: Mr. Chairman, this is a completely new system of accounting. You are lumping the capital and the current together, and if you are going to be consistent with that practice then I say you must show that 5.134 million on the right-hand side as an estimated expenditure so that the people of Manitoba will know exactly what you are planning to spend this year, not try to be phony about it.

MR. DOWNEY: Mr. Chairman, as I have indicated we are in a transition stage of changing over the bookkeeping system and I am sure that it will appear in the next year's Estimates as. . .

MR. BOSTROM: Well, Mr. Chairman, the Minister is presenting his Estimates before us and to the people of Manitoba showing an expenditure for Agriculture of \$29.8 million, and he is admitting to us in his statements in this Committee that he will be expending something in addition to that; that the amount that is being presented here is an amount of \$5.134 million that will be carried over from last year. Mr. Chairman, if these Estimates are going to be honest then that amount must be presented on the right-hand side.

MR. CHAIRMAN: The Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, I have had the experience of watching the Minister defend a position, which on the surface appears to be absolutely correct. All the authority he needs to go on this year is \$29 million, because he has got an inherited authority of some \$5 million. So it is a completely defensible position, except when he says this is transition, and that Mr. Chairman — you know that yesterday I dealt with this matter in this department and in Highways; today I got involved in the discussion in Mines — all on the same issue of Capital Authority. I have been pretty cautious about the kind of descriptive words I would use for this type of bookkeeping, and when I spoke to the press yesterday, at their request to discuss it, I think I was fairly cautious. But now I am prepared to be cautious enough to be a little bit more outspoken about what is going on here, and to me this is a hoax that is being perpetrated by this Minister and his colleagues, because they have made a big to-do, the whole Conservative Party made a big fuss about zero-based budgeting.

I don't know if this Minister knows what zero-based budgeting means. As a matter of fact I doubt if the Conservative Party knows what zero-based budgeting means, nor do I propose at this stage to give them a lesson. But, Mr. Chairman, when they tell us that they are comparing two statements — and they are, because had they wanted to be honest they could have copied the figures from last year on the left-hand column and not doctored them with figures of the Capital Accounts; had they wanted to doctor, as indeed they did doctor them that way, built in amounts — and may I say to the Minister of Agriculture, who is defending his Estimates by saying, "Well, these are authorities that were given under Schedule B," he might get away with that had I not found out what appears to be correct, that in Mines they took an arbitrary figure, and called that an authority from the Loan Act. It is a little different, but still it is the same approach. Of course, the Minister is a member of Management Committee so he probably knows better than the Minister of Mines just what they did with those figures.

The reason I say it is a hoax, Mr. Chairman, as has already been mentioned by other members on this side, is that they have made announcements about their intentions for this year, and their announcements were a very slight increase in Estimates being requested and a clear statement, "There will be no request for Schedule B," that is dead-weight loan, "this year." They did not say, "We have an unexpended previous Schedule B available to us to spend." They made the definite

statement that was understood by everybody who heard it, that our total spending is included in these Estimates, and our deficit is — what is it? \$114 million. That is our deficit they said.

This Minister, Mr. Chairman, knew that he was going to spend another \$3.5 million, which would have to add to the deficit. This Minister sat by to hear, to see a statement: No. 1 — we have a deficit of \$114 million. I want to make sure I am right about that amount. Well, I know, I have it here. And concurrently there would be no request for moneys under Schedule B; indeed we were given the Capital Authority required for Schedule A for the self-sustaining. We had that. We were told, and the First Minister today said, "Well, of course, as in every year we will be asking for a supplementary supply." But nobody said anything about \$3.5 million of increased debts, which this government is dragging us into in a manner which is hidden, and increasing the overall deficit to the people of Manitoba by \$3.5 million of non-sustaining debts. And they knew, this Minister knew it, and it took us a full 24 hours to get him to confirm that his expenditures this year are planned to increase the debt of the Province of Manitoba by \$3.5 million more than the \$114 million.

Now the Minister is very anxious to respond. You can see how anxious he is, Mr. Chairman, so I will let him respond and still retain the right to get involved with him in a debate by pointing out to him that apparently the \$2 million shown on the left-hand column for the last fiscal year, which was indeed part of the loan request — Schedule B last year, was not spent. Well his answer is, of course, "Not all of it was requested." I said he is on very good ground to talk about the law and how it is to be applied. What he is not on good ground in is the moral and ethical and equitable way in which this is being presented. I am using those words because they are words introduced in the debate yesterday by the Minister of Health, and if this government wants to talk about morality and ethics, then I have to say that this Minister sat by while the people of Manitoba were fooled to the extent that he knew very well that he was going to spend previous authority in this year, and left the impression that all they were going to spend was an amount which had run us into a deficit. I am still using the figure of \$114. . . . because I have not yet found — well, I have found it now so I can make more certain, that it is \$114,159,600, which I say is going to be increased by this Minister in this year by some \$3.5 million.

MR. CHAIRMAN: The Member for Seven Oaks.

MR. MILLER: Mr. Chairman, to support what the Member for St. Johns is saying, I have here the Information Services Bulletin issued on the night that the Estimates were distributed, March 30th I believe it was, or the 31st — where the Minister of Finance proudly stated — in his statement Mr. Craik made these points: Holding combined spending, — the term spending, not Estimates, not authority, combined spending in this coming year, that is 1978-79, combined spending to a 2.9 percent increase. This has meant that Manitoba's percentage increase is far lower than that of any other senior government this year.

Now that, I don't care how you cut the cake, is a bald statement of spending. I am not faulting the Minister of Finance for using that term, because that is the sort of terminology one always used in tabling the Estimates, because we dealt with current Estimates, we did not deal with combined capital and current, and so we dealt only with current. But when the present government has gone to combining capital and current, then to say that holding the combined spending to 2.9 percent increase, is absolutely not correct, because we know the spending is going to be greater. We know it's going to be three and a half million dollars more in Agriculture. We know that by the Minister's own admission.

The reason they've done this is quite clear. They had to portray this image in order to justify the imposition of user fees, the cutting back of grants to universities, to education, to health facilities, the imposition of higher user fees in personal care homes, the lowering of grants to the City of Winnipeg so their transit fees have to be raised by 40 percent. This was necessary in order to maintain the image that the government wanted to project and to tell the people of Manitoba that the spending has been held to 2.9 and because this is a period of restraint, everybody's got to make a sacrifice, particularly those in the lower incomes, and this is what we are objecting to. We are objecting to the fact that this government, by taking advantage of a particular period in time, of a change in format, has decided intentionally to hoodwink the people of Manitoba into believing something that isn't so.

MR. CHAIRMAN: The Member for St. Johns.

MR. CHERNIACK: I think I'll wait for the Minister to respond.

MR. CHAIRMAN: The Member for St. George then.

MR. URUSKI: Thank you, Mr. Chairman. I wanted to add several comments to what has already been said by the Member for Seven Oaks. I think the Minister of Agriculture, if he is really serious in what he has been saying insofar as how he is accounting or is attempting to portray the accounts, even his figure of \$41 million I don't think is accurate in the figure that he mentions because he is double counting there. I think if he is going to add to that \$36.5 million, he should only add \$3.5 million, because the \$2.3 million is already in there. —(Interjection)— Then, if I am wrong, I want to re-ask the question that I asked the Minister before. Is that \$2.365 million within the \$5.134 million carryover that he mentions, and if it isn't, then he gave me a wrong answer earlier because I believe he

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told me that the entire carryover this year is \$5.134 million, which included the \$2.365 million. Am I correct in that assumption?

MR. DOWNEY: Mr. Chairman . . . \$2 million, and I would just like to clarify for the members opposite, in adding up the left hand column to get the \$41 million was the carryover that accumulated to 1976-77, to March 31st, 1977, was \$4.531 million plus the \$2 million that was voted in 1977, which we have indicated in the column as the 1977 Schedule B voted moneys, to come up with the six and a half million dollars which was added to the \$36 million in the left hand column, pardon me, the, yes, the \$34 million, to come up with the \$41 million.

MR. URUSKI: Mr. Chairman, I then am lost, because I want to understand when he indicates that he came up with a \$2 million figure. He had a figure that was, if I am not mistaken, at the beginning of the Estimates, Schedule B is voted as \$2.365 million, and if I understood him correctly that figure is already shown in the 1977-78 Estimates on the left hand column.

MR. DOWNEY: Mr. Chairman, as I have indicated before, the \$290,000 was for Rural Water Services grants and the \$75,000 was for community well projects spent.

MR. URUSKI: Well then maybe I am mixed up. Was there an additional amount voted over and above the 2.365 that is shown in that amount for 1977-78, because he is giving me a \$2 million figure and he is showing a \$2.365 million figure.

MR. DOWNEY: Mr. Chairman, the carryover at the year end of 1977 was \$4.5 million.

MR. URUSKI: Okay. So if that was the carryover, then how does . . . I'm sorry, that's okay — 4.5 — that is correct.

Mr. Chairman, we have a Minister now coming before the Legislature and a government who wants to now include both capital and current Estimates all in one. They have indicated that there was so much fat in the previous administration, that there was so loose control and spending that they are going to tighten the belt, that they are going to find all kinds of millions of dollars that have been wasted and there will be great restraint put on by this new administration. We are now going to have and see a very efficient government. Instead of seeing here in this Committee, Mr. Chairman, not a very efficient government, we have a double dealing Minister who is coming up with figures and in effect showing his Estimates, showing to the people of Manitoba that although he portrays an efficiency of spending within government, he is actually going to be spending \$5 million more, thanks to whom? Thanks to the previous voted authority, by the previous administration, over the last number of years, which they, no doubt about it, which they criticized continuously for over-spending. Now they're riding on that crest of over-spending, and they have just in Agriculture, duped the people of Manitoba that they are so efficient — I am just being nice, they are a bunch of scoundrels, Mr. Chairman, and nothing less.

MR. CHAIRMAN: The Member for Seven Oaks.

MR. URUSKI: I'm not finished, Mr. Chairman.

MR. CHAIRMAN: I thought you were getting so good, I wanted to move on to someone else.

MR. URUSKI: The Minister of Highways, although he wants to sidetrack people, the issue — (Interjection)— They know now, Mr. Chairman, that they, by changing the accounting methods and no one is denying them the changing, but they are really not showing the true picture. They are really not showing anyone what the actual picture is. If they are really truthful in what they are saying, then they should have in effect lapsed the entire amount that was voted in previous years if they are true to their words of zero based budgeting that they had no authority effective March 31st of 1978, then we would have started with a zero base and they would have requested an authority including the \$5 million that they want. And no one is denying them that they should have that \$5 million. In fact, I am prepared to stand here and say that you should have that authority in order to carry out the programs that you desire. But do not go out to the public of Manitoba and tell them that you are so efficient that you have cut spending, cut grants, cut everything else, while internally you have a slush fund of an additional \$5 million that was voted and approved by the previous administration. That is double dealing and nothing else, Mr. Chairman.

MR. CHAIRMAN: The Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, I have been waiting for the Honourable Minister to respond, and he hasn't done it. So, Mr. Chairman, let me then ask the Minister a few questions.

Firstly, recognizing that he is new to this Legislature and presumably new to the type of accounting that went on in previous years, oh no, he disclaims that, therefore I assume that it is not new to him and he knows his way around — (Interjection)— Pardon? Well, now, I don't know what to recognize but therefore I am going to assume that he did his homework. . .

MR. CHAIRMAN: As Chairman, I'm recognizing you.

MR. CHERNIACK: Yes, thank you, Mr. Chairman. I appreciate that. I recognize you often too, you're a nice fellow.

MR. CHAIRMAN: What people mumble around doesn't matter, you have the floor.

MR. CHERNIACK: All right, Mr. Chairman. I now accept that the Minister has done his homework and he knows how the accounting practices were done in previous years, as between current and capital. Is that correct? I don't know whether it's correct or not, the Minister doesn't respond, so I'll go the next step.

Does the Minister understand that capital authority once voted does not lapse? He does recognize that. Does the Minister recognize that when the Minister of Finance spoke about holding combined spending to 2.9 percent, that it was understood by me, if no one else, that combined spending meant capital and current moneys as they were considered in previous years? Does he recognize that that is a logical interpretation?

MR. DOWNEY: That of course is . . . the Minister of Finance.

MR. CHAIRMAN: The Member for St. Johns.

MR. CHERNIACK: Thank you, Mr. Chairman. Can we acknowledge that the Minister of Agriculture is disassociating his impression from the statement of the Minister of Finance? No, he's not. The Minister of Agriculture is a member of Management Committee, I believe. Then he says, well, the Minister of Finance used the phrase combined spending. Well then, on Page 2 of this same bulletin, it says here are the combined Main Spending Estimates? Does the Minister of Agriculture reading Agriculture, see that it says or acknowledge it would say that for 1978-79 the amount was \$29,829,900, which is the amount I believe shown in the Estimates before us now.

MR. DOWNEY: We're dealing with the combined voted Estimates for this coming year.

MR. CHERNIACK: The wording that I am asking the Minister to consider, is Combined Main Spending Estimates. Does he reject that term as it applies to the Department of Agriculture?

MR. DOWNEY: Mr. Chairman, we are dealing with the agricultural estimates.

MR. CHERNIACK: Yes, but I'm looking at Combined Main Spending Estimates, and I am wondering if the Minister will agree that this is the intent that it is intended to convey, that is combined capital and . . .

MR. DOWNEY: As I have indicated, we are dealing with the combined agricultural estimates here and to go further would be to deal with the Minister of Finance on all the accumulated of all the Estimates.

MR. CHERNIACK: Well therefore, Mr. Chairman, the Minister will not agree that the Minister of Finance's expression Combined Main Spending Estimates apply to what we are dealing with now. He says we are dealing with the Estimates in the book. So, I'll have to go beyond that and ask him whether — I know he has said it a number of times today but I just want to hear it once more — that it is his intention as Minister of Agriculture to spend three and a half million dollars more than the \$29 million that he is asking us to vote.

MR. DOWNEY: Mr. Chairman, as I have indicated, we are discussing the voted estimate that will be required in the coming year, and the additional money is, and I would elaborate a little bit, and when the Member for St. George wants to say that there is a misconception, the bookkeeping procedure which I have certainly taken over from — and he I asked me if I am familiar with it.

There is no place in the past administration's Estimates, their voted Estimates, where they indicated any expenditure in that year of money that was carried over from Schedule B Capital, which, in fact, we are now starting to do, and we're showing 1977 \$2 million in the left-hand column, and I've explained the reason for that particular reason — it's last year's money carried forward in Schedule B to be used on the projects that are already committed.

MR. CHERNIACK: I appreciate the Minister trying to respond to my questions, Mr. Chairman, but my question really was, "is it not his intent to spend \$3.5 million more than the authority requested here of close to \$30 million?" Is that not the intent of this Minister?

MR. DOWNEY: Mr. Chairman, as I've indicated in my statement, the amount is \$3.5 million which has been previously voted in previous authority.

MR. CHERNIACK: Mr. Chairman, would the Minister not agree that the first time I spoke here in this room today, I said that he was correct. That the authority he has for that \$3.5 million, he already has. He is asking for an additional 29 — I am now asking him to confirm that it is his intention to spend

some \$33.5 million — is that not his intent?

MR. DOWNEY: Mr. Chairman, I would like to go back to the fact that if we were going to completely compare the right and the left-hand columns as they should be compared, if we added the carry forward on the capital authority from the last administration, that the left-hand column would read in excess of \$41 million. If we were to carry over the figures, the voted Estimates that the member opposite is referring to and put them in the right-hand column we would have a total discount or capital expenditure for the department of \$6 million.

MR. CHERNIACK: Mr. Chairman, the Minister has indicated he has an authority, unexpended authority of \$5.1 million, I think that is correct. It's correct, isn't it?

MR. DOWNEY: Yes, that's correct.

MR. CHERNIACK: But I understood him to say that he is only intending to spend \$3.5 million of that this year. Is that correct?

MR. DOWNEY: Mr. Chairman, for the member opposite who is unfamiliar with the installation of some of the water projects, it's ongoing work; that is true that / , some of it will be spent this year and some of it will be used in ongoing.

MR. CHERNIACK: So I am not wrong then, am I, Mr. Chairman. The intent is to spend \$3.5 million out of the \$5 million, and therefore, it is becoming clear, I don't know why the Minister doesn't want to agree that it is his intent to spend \$3.5 million this year — \$3.5 million more than the amount shown in his Estimates. It's clear to me, and yet he won't say it's true. Isn't that strange, Mr. Chairman? He has stated that he is asking for 29, close to \$30 million authority, he has stated that out of the \$5.1 million of previous capital authority, he intends to spend \$3.5 million, he said that, and yet he will not say that his expenditure in this year is expected to be close to \$30 million plus the \$3.5 million.

MR. DOWNEY: Which was never indicated by your past administration.

MR. CHERNIACK: Isn't it strange, Mr. Chairman, that he seems to go by what was indicated by previous administration in order to avoid saying what is going to happen this year. Now, can't he tell us — maybe the First Minister knows how much is intended to be expended by his department this year?

MR. CHAIRMAN: The First Minister.

MR. LYON: Mr. Chairman, I apologize for not being totally privy to all of the questions that the Member for St. Johns has been asking, so I may be covering ground that has already been covered and so on, but as I understand it, because we are in a transitional year, going from the old separate current capital to a combined basis, in this transitional year only there will be carry forwards of capital, as there always has been in previous years. And as I judge, from what little questioning I've heard, this is what the Minister has been attempting to say. In the reconciliation in this transitional year, some of those figures are shown in the 1977-78 column, the little box at the bottom is an attempt in the transitional year to reconcile the Estimates of last year as we move into the combined accounting basis.

The other point that is crystal clear in the explanation that has been given to me, is that no part of the capital carry-over forms any part whatsoever of the projected deficit at this stage of \$181 million — I trust that that's been made clear — that that \$181 million as the officials advise us is a straight cash in, cash out accounting system, and in no way does it form any part of the deficit whatsoever. Cash flow — cash in, cash out, — it's for hard bills that are to be paid. Next year, as I understand it, when we're fully into the combined basis, there will not be the carry forwards as there have been in the past, and as I judge what the Minister's attempting to indicate, is that there have been, in every year in the administration of my honourable friend and in previous administrations of which I was a member, there always were carry forwards not shown in the Estimates, as indeed they are not shown in accumulative way in the Estimates that are before us.

The further information I have is that on balance, while there will be some changes as between departments who may utilize the full amount of their carry forward or may not utilize some of the vote that is not carry forward but that is estimated to be spent this year, on balance — so nearly as the officials can estimate at this point, and my honourable friend will realize the caveat that I'm attaching to that because we are right at the beginning of a new fiscal year — on balance, we should come out or we hope to come out reasonably close to the printed Estimates on the expenditures. Now that doesn't mean that every department is going to be exactly as voted in the sense that the carry forward will be totally expended or that the amount that is being asked to be voted will be spent this year. But on balance, we should come out fairly close. Now, I wouldn't want my honourable friend, a year from now, to say, "You promised that you would come out exactly at \$1.6 million." I'm not making that promise, but on balance, so far as we can see it at this stage, we should be fairly close on the overall with some variations as between departments.

MR. CHERNIACK: I do appreciate the First Minister's explanation because I do recognize that he has greater experience, although the Minister of Agriculture doesn't seem to be hampered or hobbled in any way by being relatively new. But the First Minister will recognize a couple of things that he has not mentioned.

In the first place, I am not discussing the way his government has managed to present last year's Estimates. I am not debating this at this time, nor am I debating at this time the accumulated deficit about which he has made quite a to-do. I am now talking about . . .

MR. LYON: No, I didn't make quite a to-do, I understood my honourable friend . . .

MR. CHERNIACK: Well, it's my interpretation of what the First Minister did.

Now, Mr. Chairman, I would ask the First Minister to confirm that, when filing the Estimates of Revenue, the bottom line shows an excess of expenditure over revenue of \$114 million plus some as being the deficit for this current fiscal year.

MR. LYON: I will be quite happy to discuss that with the Member for St. Johns when . . . I would imagine the most appropriate time would be in the Estimates of the Minister of Finance, and I imagine we will have them up as soon as he returns from Europe. If we could confine ourselves with to the Department of Agriculture perhaps that would facilitate matters.

MR. CHERNIACK: In the first place, Mr. Chairman, we are not going to confine ourselves exactly to the Department of Agriculture, but we are going to relate it to the Department of Agriculture in this way, Mr. Chairman. This government, through its Minister of Finance, has announced that the combined spending will be a 2.9 percent increase. You will recognize . . .

MR. LYON: That's overall.

MR. CHERNIACK: Yes, the combined spending will be held to a 2.9 percent increase, is a statement made by the Minister of Finance, buttressed by the fact that he made the statement that here are the combined Main Spending AEstimates, and showed for 00. griculture \$29,829,900. This was the announcement given to the people of Manitoba, and indeed to the world through the Information Services and to the opposition, that this is what it is, combined. Now we know that the government made the decision to carry forward on a combined basis. But we are now finding out, in the Department of Agriculture, that the spending is going to be \$3.5 million more than the statement by the Minister of Finance, more than the Estimates shown, and the reason is that although the carry forward is over \$5 million, they are only intending that \$3.5 million will be spent this year. Which means to me, Mr. Chairman, that this projected deficit of \$114 million in the revenue — and it's combined remember, not the way we use to do but the new way — is, we know now, going to be increased by \$3.5 million by the Minister of Agriculture.

MR. LYON: Well, Mr. Chairman, — my honourable friend will appreciate this, having been the Minister of Finance — depending on the cash flow. Yes, that's possible, but depending on the cash flow, depending on accounts that uave to be paid, depending on projects that are completed and so on. I don't think that he would even suggest that there is anything different in the normal accounting procedures and the normal accounts payable that government has to meet that is reflected by these Estimates at all. This is the best estimate that the finance officials, precisely the same finance officials almost to a man and woman who advised him and the Honourable the Member for Seven Oaks, are giving us at this stage.

MR. CHERNIACK: Mr. Chairman, there is a difference, an important difference — the leader is changed, they've got a new leader. And let me point out what I mean by that, Mr. Chairman, here you have Estimates of Revenue. The First Minister will not pretend that this isn't attempted to be an honest presentation of a projected deficit in this year. The variations would be those variations that prove to be different as between revenue and expenditures and unexpended moneys and various changes because of costs changes and changed programs, but this was supposed to be an honest presentation, and yet, Mr. Chairman, we know that it is expected that the expenditure will increase by \$3.5 million. It may not, it depends on cash flows, as the First Minister says, but if we were to discount the fact that the Department of Agriculture is planning as of this time to spend \$3.5 million more than is shown in their combined Estimates, then we have to say that this is an untrue figure.

Let me then tell the Honourable the First Minister what would have been a more honest presentation to tie in with their two statements. One is zero-budgeting, about which I think they don't know; secondly, their statement that we are working on a combined basis. The honest presentation would have been, and still could be, and I'll make an offer to the Minister of Agriculture in relation to the item we are now talking about and to the First Minister.

You want to make an honest presentation, cancel all your previous authority as of March 31, 1978, and say, "That is the way it used to be, now it's combined." And put into this Estimate, this particular resolution an extra \$3.5 million, and that would be an honest presentation. The only thing wrong, Mr. Chairman, is that the Minister of Finance would say, "Hey fellas, I've already made a statement saying we're only increasing by 2.9 percent on combined spending. Are you going to call me a liar?" And, indeed, possibly he would be justified in that accusation. So how about that on a more honest

presentation which I'd like to think the same officials with the same brains and the same integrity would have done had they had the opportunity to consult with other people than they had the opportunity to deal with.

MR. LYON: Well, Mr. Chairman, my honourable friend, as usual, is proceeding from a flawed hypothesis, which seems to be not uncommon when you are in opposition. You try to build a case — (Interjections) — No, no, no, that's not an insult. My honourable friend talks about the — (Interjections) —

MR. CHAIRMAN: The First Minister listened to you, would you please listen to him? He didn't interrupt you.

MR. LYON: My honourable friend talks in terms about the Minister of Finance being a liar, and of course that's not an insult. The minute somebody else says that the Member for St. Johns is proceeding from a flawed premise, all of a sudden that becomes a personal insult. Now I had never realized the hyper-thinness of my honourable friend's skin, which seems to grow tissue-thin year-by-year. We are all going through the aging process, and I admit to it quite readily. I wish my honourable friend would not be quite so hyper-sensitive about an argument that is attempted to be made in response to a proposition that he is making, that may well have some merit, that may well have some merit, without any insult implied, intended, or anything else.

I am merely saying to my honourable friend that the proof of the pudding ultimately will only be seen when the fiscal year, the current fiscal year, now that we are into this transitional period, on March 31st, 1979, when the books are closed, the indication that we have from the officials, and it is only a projection at this stage is that on the overall the expenditures of government will be, on a combined basis, approximately \$1.6 million, subject always, of course, to supplementary estimates and other additions that may change that picture. So I think my honourable friend is proceeding, as I say, without any intention of personal offence to him, from a flawed premise. The flawed premise is that nothing has changed except the accounting system, which is combined, that we are in a combined system now rather than under the old separate current and capital system, that in the transitional period for this year only, and here is, I think, the nub of my honourable friend's point, that in this transitional period the officials saw fit to use the carry-forward procedure which had always been followed by previous administrations, the ones my honourable friend belonged to and the one that I belonged to, but this is the last year that that will be done. Very probably that is accounting for some of the real or imagined confusion that may or may not really exist in my honourable friend's mind.

I think with respect to the total estimates of expenditure of the government, and the total estimates of revenue under the new combined system, my honourable friend will be quite free and I am sure will exercise his full authority so to do when the Finance Estimates are before this Committee, to get every last tittle of explanation that he can from the Minister, who regrettably is not here; the Deputy Minister, who regrettably is not here; the Assistant Deputy Minister, who unfortunately is not able to be here because of personal circumstances, and can get that full explanation on the total Estimates when the Minister returns. We undertake to call those Estimates as soon as possible, to ensure that my honourable friend doesn't continue to operate under any misconceptions.

MR. CHERNIACK: The Honourable First Minister said nothing has changed. Mr. Chairman, can it be that he is not aware of the fact that not until today did we know that the Department of Agriculture intended to spend \$3.5 million more than we had a right to think, because of the fact that there was a statement made and repeated and repeated, that combined spending will stay at a certain figure. Can it be that that is not a change? Does the First Minister suggest that his officials would have produced a figure of a deficit of \$114 million had they been fully aware of the fact that it was every intent under a combined basis to spend another \$3.5 million in this year?

MR. LYON: Mr. Chairman, at the risk of going beyond the matter that is before this Committee, I can only repeat and I know that repetition doesn't enhance an argument, but I can only repeat that the 1978-79 printed Estimate total at this stage and according to the best estimates that can be given by the officials, the same officials who served him and are serving this government very faithfully, and the estimated deficit for this fiscal year are not likely to change substantially subject to all of the caveats that he would apply, or I would apply, at this early stage from the figures used in the Budget because of the carry-forward. Now they may change for other reasons, and I need not enumerate all of those other reasons for my honourable friend. But the carry-forward is expected to have an insignificant reflection upon the overall figures that appear in the total Estimates, and the proof of the pudding, of course, is going to be at the end of the year when the figures are audited and when we will see how close these projections were, and I hope that they are reasonably close, but I wouldn't be surprised if they are off a bit, because my honourable friends' projections in their time were very often off, rather considerably. I am not going to make a political argument at this stage about the size of the deficit that we inherited or anything else. But we know that projections of this nature can be off and we know that the carry-forward procedure this year is a transitional procedure only, and with the greatest of respect I think my honourable friend, and he probably realizes this, as is certainly his privilege, is making rather a mountain out of a mole hill in a transitional period in trying to suggest that something is awry, when really nothing is awry at all.

MR. CHERNIACK: When C.D. Howe said, "What's a million?" — I don't know what the inflationary aspect would make it today, and I don't know if this \$3.5 million would be a correct inflationary difference from that million dollars of Mr. Howe's, but I am — well, I can't say that I am embarrassed for the First Minister. I would be embarrassed if I were making his statements, because what he is saying is true — out of \$1.6 billion, \$3 million will not show up.

MR. LYON: No, no, no, no.

MR. CHERNIACK: But the truth is, Mr. Chairman, that we know and there is no way you can fudge that and there is no way you can talk around it, we know that it is the intention of the Department of Agriculture in its combined spending in this year to spend \$3.5 million more than they said they would, than the Minister of Finance said he would, and you can call all the Deputies and Assistant Deputy Ministers of Finance you like. It is a presentation made by the political leadership which should not call upon technical people to support the fact that either they brush it aside as being not that much difference, that in the end it may work out to pretty well the same thing, or to just blind their eyes to the fact that they have, by talking about a combined spending, omitted to tell the public that their intention is to spend more.

Now the question will be and we may have to go all the way around every department to find out how much the true extrapolated figure of \$3.5 million is. Why is it only in the Department of Agriculture that we found \$3.5 million, which, Mr. Chairman, is more than 10 percent of the amount, it is like — what is it? Fifteen percent of the amount that is being requested, and the fact that the authority is already there does not hide the fact that they said that the combined spending — and I use that word "combined" because they used it and I use the word "spending" because they used it — includes \$3.5 million not reported. Of course, we will know the true picture as of March 31, 1979. Why do we have to wait a year? We should know today the true projection and the true projection we found out today was \$3.5 million more, and I don't know how much there is in other departments.

So let's not fudge the issue and let's not talk about a false premise. Deny the fact that there is \$3.5 million more, or admit it, and if you admit it then you've got to say that as of this moment we can see a deficit on combined spending for this year, not of \$114 million, but \$117.5 million plus whatever millions of dollars we are going to get in Supplementary Supply in the usual course as comes along. I think that that would be a fair proposition and my proposal, which the Minister says may have some merit, I believe has considerable merit if you talk about zero budgeting and a correct presentation. If we knew how much this government intended to spend this year on moneys that are not self-sustaining, then we would have a clearer picture to present to the people of Manitoba, not tell them to wait and wish that in a year from now they may know better.

MR. LYON: Mr. Chairman. . .

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

MR. CHAIRMAN: On a point of order — the Member from Rupertsland.

MR. BOSTROM: A point of order is, Mr. Chairman, that in the summary of the Main Estimates of Expenditure on the very first page of this document, and a note too at the bottom of the page, it says: "As a result of a change in accounting procedure all direct government expenditures are now included in the departmental Main Estimates of Expenditure and that includes those formerly voted in the Loan Act as Schedule B." So here, Mr. Chairman, we are hearing that we are not having all direct government expenditures included in the departmental Main Estimates because there is \$3.5 million here which the Minister admits is not included in his Main Estimates of Expenditure. So that, Mr. Chairman, this book is not living up to the very notes that guide us in these discussions.

MR. CHAIRMAN: I am going to call it 5:30 now, and I have a list the length of my arm of speakers that wish to speak, so we will reconvene at 8:00 o'clock.

SUPPLY — MINES AND RESOURCES

MR. CHAIRMAN, Mr. Abe Kovnats: I would direct the honourable members to Page 59, Mines, Resources and Environmental Management. Resolution No. 85. Clause 5. Acquisition/Construction of Physical Assets — \$6,365,000—pass — The Honourable Member for Seven Oaks.

MR. MILLER: Well, Mr. Chairman, we're on this last item and I'm wondering whether the Minister can tell us whether there is any authorized but unspent moneys from the Capital Loan Bills of previous years, whether it be 1977-78 or 1976-77 or any number of years back — whether there is any authorized but unspent, or unallocated, capital funds?

MR. CHAIRMAN: The Honourable Minister.

HON. BRIAN RANSOM (Souris-Killarney): Mr. Chairman, my understanding is that there were \$2,213,000 that were unallocated in 1977-78 that will not be carried over, there were \$5,411,000 that were allocated and of that \$5,411,000 the total carry-over for commitments of all department capital accounts will amount to \$2,657,300 that have been provided for carry-overs.

MR. MILLER: Mr. Chairman, then if I'm correct, the Minister is saying that carried over from the 1977-78 Loan Act, there is an unallocated \$2.2 million. I'll drop the odd figures. There's \$2.2 million unallocated. Is there anything unallocated from previous Loan Acts, 1976-77, 1975-76?

MR. RANSOM: No.

MR. MILLER: For the record the Honourable Minister said no. I don't think his mike was alive. All right, then this \$2.2 million left, is that included in the figure of \$6.3 million on the right hand side for 1978-79 or, in fact, is the \$6.3 million — \$6,365,000 to be exact — totally apart from the \$2.2 million which still lives, or still exists as authority?

MR. RANSOM: Yes, the \$6,365,000 is apart from that.

MR. MILLER: Is apart from that. Well, Mr. Chairman, is it the intention of the Minister, since the Capital Authority was voted through Capital Bills in the previous year, is the intention of the Minister to allow that to lapse and simply be discontinued, to cancel that authority, or is it the intention of the Minister to retain that authority which has been voted in previous years and to use it and spend as he sees fit, either this fiscal year or perhaps the next fiscal year?

MR. RANSOM: My understanding, Mr. Chairman, is that the \$2,213,000 is a decision of the Department of Finance whether to allocate that to any other purpose. As far as this department is concerned it lapsed.

MR. MILLER: Well, Mr. Chairman, is the Minister saying this was General Purposes Capital and therefore could be swung by Finance to wherever they wanted to spend it, that as far as you're concerned in your department you had a specific amount of money, \$5,411,000 was allocated and that's it and you don't have access to any further moneys but that, in fact, the authority exists and still exists for an additional \$2.2 million which may be spent in the Department of Highways or may be spent in the Department of Mines, Resources and Environmental Management if you can convince your Finance Minister and your colleagues to allow you to do that? So isn't it true though that \$2.2 million is an authority which exists and which can be spent by the government in some area and yet charged up as part of the inheritance which they've been faced with in taking over from the former government?

MR. RANSOM: Well, Mr. Chairman, I'm not familiar with the details of the Department of Finance handling of the dollars. As far as this department is concerned the \$2,213,000 has lapsed.

MR. CHAIRMAN: The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, I'm concerned about this sheet that the Honourable Minister just sent us where he indicates an appropriation under 1977-78 Loan Act of \$7,624,300 as if it were out of the Loan Act. Now, I don't find it there and I would like him to clarify on what basis these amounts that add up to the figure I just gave were actually authorized.

MR. RANSOM: Well, Mr. Chairman, I'm advised that that \$7,624,300 was under General Purposes Supply with an exception of the \$1,260,000 for Operations Branch Supplementary funding.

MR. CHERNIACK: Well, Mr. Chairman, then does the Honourable Minister say that this net amount of \$6,364,000 was actually allocated by the Management Committee or the Department of Finance?

MR. RANSOM: There were \$5,411,000 that were allocated.

MR. CHERNIACK: Well, Mr. Chairman, I thought the Minister had excluded \$1,260,000 from the figures.

MR. RANSOM: Well, we'll have to get the details on where the \$1,260,000 was but it's in one of the Scheduled . . .

MR. CHERNIACK: No, is that Water Control Works?

MR. RANSOM: Yes.

MR. CHERNIACK: Mr. Chairman, I'm trying to reconcile this sheet which the Honourable Minister was kind enough to send us with the actual Schedule of the Loan Act itself and a similar figure of

\$1,260,000 was specifically allocated under Schedule B of last year's Act for Water Control Works. Is that the same item?

MR. RANSOM: Yes, that would be the same.

MR. CHERNIACK: All right, Mr. Chairman, that's clear. That \$1,260,000 was available for Water Control Works and Water Control Works only. However, Mr. Chairman, as I understand it — and I'd like to be corrected if I'm wrong — Schedule B General Purposes of some \$82 million was completely free to the government to spend as it saw fit for General Purposes, that the amounts shown under General Purposes adding up to \$82 million were not specifically allocated and the figure opposite Mines is indeed \$6,364,300 but my impression is that the Cabinet, the Executive Council, had the authority to spend that money in any way it saw fit for any other department and, therefore, it makes me wonder just what is meant by the item 1977-78 Loan Act being the first column in the sheet which was distributed to us.

MR. RANSOM: Well, I would understand, Mr. Chairman, that first of all these amounts of money are intended for specific projects within this department as listed on the left hand side and if they are not allocated subsequently to those projects, then they might indeed be available for other uses but as far as this department is concerned we have no control over that.

MR. CHERNIACK: Well, Mr. Chairman, I challenge the Minister's statement that these moneys were allocated in the Act. Now, if he means by Management Committee then I will accept his statement if he is sure that he's right, that these amounts were actually allocated by Management Committee. I wonder if he wants to clarify that?.

MR. RANSOM: Well, the allocation I'm advised is by Management Committee with the exception of that \$1,260,000.00.

MR. CHERNIACK: Mr. Chairman, I'd like to know which of those were allocated prior to November 1st and which after November 1st.

MR. RANSOM: We don't have that information available at the moment, Mr. Chairman. We'd have to inquire into the details of that.

MR. CHERNIACK: Would the Minister undertake to attempt to obtain that information for us then? He's nodding his head so I'll go on, Mr. Chairman, to ask: Opposite Vermilion River Dam there's an amount shown as unallocated of \$420,000 with a footnote which says, "Unallocated has been included in the 1978-79 Capital cash." Could the Minister explain what that is and just where that shows up?

MR. RANSOM: Well, again I'm advised that there was only \$580,000 was required in 1977-78, that the \$420,000 has been allowed to elapse and that we're asking for an additional \$420,000 in 1978-79. I distributed last night some sheets that gave the details of the construction of physical assets, I don't know whether the honourable gentlemen received any copies of those or not.

MR. CHERNICACK: Mr. Chairman, we're running into a problem where we found statements made by the Minister of Agriculture — which possibly he's clarifying now — which would indicate that certain undertakings were shown in last year's allocations and are going ahead charged to capital in this year and therefore are not shown on the budget. This Minister tells us that this \$420,000 for Vermilion River Dam is not being used this last year but that the same amount is being used in 1978-79 and included in the in the Estimates for this current year. There seems to be a different way of handling this as between the Department of Mines and the Department of Agriculture. To add to the confusion, the Minister of Highways indicated that some \$29 million was used last fiscal year out of the Capital Authority and he used an expression, I think, "that the well has run dry" or some similar expression to indicate there's no money left and yet the Honourable Minister is showing us with this sheet that some \$2,200,000 of money which he thought was allocated to his department is now being released, but, Mr. Chairman, it cannot lapse. Capital moneys do not lapse, all that he may say is that he is not going to try to control the expenditure or the use of that money in his department, but since a loan fund cannot lapse, it being Capital the authority is there and does not lapse. I come back and ask him, and I'm trying to find out what could be meant by the statement that this \$420,000 for Vermilion River Dam has been included in 1978-79 Capital cash. I don't understand that statement. I would like clarification on it.

MR. RANSOM: Well, we have budgeted in 1978-79 a new request for the \$420,000 that was not committed in 1977-78 but in my first comments today I pointed out that there were some \$2,657,000 out of that allocated by Management Committee, out of that \$5,411,000 that were committed in 1977-78 and will actually be expended in 1978-79. Now perhaps that's analogous to what my the honourable member was referring to with the other departments

MR. CHERNIACK: Well, Mr. Chairman, I thank the Honourable Minister for trying to work this out

and I recognize that he has little experience in differentiating between Capital Authority and Current Authority but the problem that is facing him and me is that the rules of the ball game have been changed. The government, the existing government, decided to run a combined sheet for last year and a single sheet for the current year, and therefore I understand the Minister indicating what he thinks he needs for this year. But meanwhile, he is responsible, Mr. Chairman, for telling us what is happening to this Loan Authority that is apparently dangling. And if the government would only come along and say, we believe in zero-based budgeting and therefore we will cancel all authority unused as of March 31, 1978, then they would be starting in the way the Minister seems to indicate he's doing it. But in Agriculture and in Highways so far there seems to be a different way of handling it, and for a person in opposition who does not have access to the information that should be available to this Minister and others, it becomes very difficult to understand what they are trying to do.

I come back to this sheet that the Honourable Minister has given us which indicates disposition of 1977-78 authority requirement. I have not yet got an answer to my question as to what it means to say that the \$420,000 Vermilion River Dam has been included in the 1978-79 Capital cash. I don't know what it means. Could the Minister find out?

MR. CHAIRMAN: The Honourable Minister.

MR. RANSOM: Well, I don't know whether it will help to clear it up or not, Mr. Chairman, but my understanding is that in 1978-79 we are asking for \$420,000 which will be expended on the Vermilion River Dam and that the Capital cash would refer to the new system of combining Capital and Current Expenditures would be my understanding of that, Mr. Chairman. And then at the end of 1978-79 that sort of Capital cash, if you will, will lapse — anything that is not spent, because it will be treated as Current.

MR. CHAIRMAN: The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, I would plead with the Honourable Minister not to get involved in explaining something about which he is not clear; it would be much better if he deferred the answer until he knew the answer because he cannot say that the money has lapsed. As far as I know it can only lapse by spending or by an Act of this Legislature. When Capital Authority is authorized it does not lapse. And that's why, Mr. Chairman, I am pressing for what seems to be a small amount. For example, if I move to the next item, Sturgeon Creek Gradient Control, \$200,000 — which the Minister says was in the Loan Act and I assure him it wasn't in the Loan Act — and it says there that was not undertaken in the last fiscal year due to difficulties in obtaining right of way.

But now the Honourable the Minister says that he wants to spend it — where did I see that? . . . project shown for last year and there is no indication for this year. I have to tell the Honourable Minister that that \$200,000, according to my understanding, is available to be used by his government for projects such as the Vermilion River Dam or the Pasquia Drainage, which is also intended to be developed this year, or for Highways, or for building a privy if they want to build one somewhere in the vicinity of the Honourable Minister's constituency. It could be available as being Capital Authority, Mr. Chairman, and that's why I want to make sure that the Honourable Minister is clear on what is happening to this unallocated sums which he describes here.

MR. RANSOM: Mr. Chairman, I'm clearly not going to enter into a debate with the honourable member who has infinitely more knowledge than I about the financial workings of the government. But as far as this department is concerned, at the end of 1977-78 that money is no longer available to this department.

MR. CHERNIACK: I understand that, and I think that the Minister is giving a proper response considering the fact that he doesn't know how this matter was handled in the past. I have to ask him though, in his Estimate Book he is showing that in the last year there had been a sum of \$7,624,300 that was authorized in this item we are discussing. And when I looked to see what was meant by that, Mr. Chairman, I can see the sheet which he was kind enough to distribute which shows that amount. But Mr. Chairman, in the very same page it shows \$2,200,000 not spent, and it's Capital Authority that was not spent. Well maybe — yes, that's right. So Mr. Chairman, now we have this department telling us that whereas last year there was an authority requested of \$29,000, well almost \$30,000 — short 500 — and this year they're spending \$26 million, the truth is that they didn't spend 29,999, nor, according to my understanding, was there an authority granted to the Department of Mines in that amount. And I say that, Mr. Chairman, because it is not an awful lot of money for this department alone, but it can add up to an awful lot of money if it's spread that way amongst all departments.

And I have to assure the Honourable Minister that as far as I can understand the statement he distributed is not correct unless he was able to say that the Water Management Division item of \$7,624,000 was specifically allocated by the government in the last year, and he doesn't know whether it was after November 1, and he was Minister after November 1. So that he would have to show that this was indeed allocated to justify showing it in the Estimates Book. And to me it's important and not to be brushed aside because I am trying to find out, Mr. Chairman, what is going on in all these departments when the government proceeded to combine Capital and Current in what I believe now to be an arbitrary manner. And if I'm right I want it to be shown that it is an arbitrary

manner because we're entitled to a proper presentation.

If the Honourable Minister would care to look on Page 56 of his Estimates, on the Reconciliation Statement, the line at the bottom referring to Schedule "B" Capital voted in The Loan Act, 1977 \$7,624,300 — I have to tell him that I don't believe that that was voted in The Loan Act. I believe that there was \$82 million — \$82,471,400 voted under Schedule "B" under General Purposes. And I want to receive — really, what I'm getting at, is I want him to confirm to me, confirm or correct my impression, that the figure shown here of \$7,624,300 was not voted in The Loan Act for the Department of Mines. That's what I want to find out. And if the Minister doesn't know I'd like him to find out and correct me if I'm wrong, but it is important to me to know — not that I'm nitpicking on this but I want to know what's going on in all departments and this is the department that has the figure that's before us and should be able to give us that answer. Not now, I understand, but I'd like an undertaking that we'll get it.

MR. RANSOM: Yes, Mr. Chairman. I'll attempt to get the explanation.

MR. CHERNIACK: One more point, Mr. Chairman. I would like the Minister also to confirm that when he has given us the information that \$2,213,000 was unallocated that my understanding is correct and that it does not lapse but still lies available to the government to use as it sees fit as a Capital Authority for the future. I'd like confirmation of that so that we know that that money is available to the government over and above and in addition to the moneys which they are requesting for the current year, and that indeed that money could still be used in the Department of Mines in addition to the moneys for which the Minister is now asking approval.

MR. RANSOM: I'll undertake to get that information at the same time, Mr. Chairman.

MR. CHAIRMAN: Clause 5—pass. Resolution 85—pass.

Resolution 85: Resolved that there be granted to Her Majesty a sum not exceeding \$6,365,000.00 for Mines, Resources and Environmental Management; Acquisition/Construction of Physical Assets, \$6,365,000—pass.

Resolution No. 81, Page 57, I.(a)(1) Minister's Compensation \$15,600—pass — The Honourable Minister.

MR. RANSOM: Mr. Chairman, I undertook to get some copies of the proposed main items of reconstruction and maintenance. I should have handed those out previously but the Honourable Member for St. George asked for those yesterday. There are enough copies there for every member.

MR. CHAIRMAN: The Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, we are now on the final allocation in these Estimates. I'd like to know when and how the Minister proposes to give us the information which he just agreed to do, my point being that it's rather important to me to try and get that information today if at all possible. I personally have no argument against the Minister's salary, but I would like not to let this matter drag on, or this answer that he has undertaken to give us, to drag on for any great length of time because, as I indicated earlier and it's quite apparent, the information I want is not related to this department alone but to be used in trying to assess other departments and how they are showing the apportionment of Capital funds. That is why, Mr. Chairman, I would like very much to have from the Honourable Minister some indication of what procedure he intends to follow in order to make that other information available to us and when we can expect to have it.

MR. RANSOM: Mr. Chairman, I am prepared to get that information as promptly as I can. I'm sure that my officials will be checking into it now. I can only suggest that I could make it available to the member either in the form of perhaps tabling a written explanation of it because I rather expect that I won't have it back here in the immediate future.

MR. CHERNIACK: Mr. Chairman, I appreciate the Honourable Minister's response and I recognize that he will make an effort to give us the information.

I wonder if I could now address myself, Mr. Chairman, to the House Leader, to tell him — I don't recall that he was present when we were discussing in Agriculture and in Highways the apportionment of previous Loan Authorities, Capital Authorities. The House Leader may recall that during the question period the Acting Minister of Finance agreed, in response to my request, to make available to us information on what Capital Authority unexpended and unauthorized and unraised was available as at the end of the last fiscal year, that is, the beginning of this month. And I am wondering whether it would not — I'm sure it would save a lot of time — if that kind of information were made overall available to us so that we wouldn't be involved in coming to this Minister and asking him to answer questions which I felt initially he would not be able to answer because I believe that this was set up by whoever set up the budget and apportioned in some way which they thought advisable or correct in their opinion.

I'm wondering whether the House Leader wouldn't consider the advisability of having someone with knowledge of the entire picture of Capital Loan as compared with Current Authority from the past, to come before this committee and give us that picture so that we will have the full picture and be

able to discuss it. There's no question about it, Mr. Chairman, that we could get the information when we get to the Department of Finance or to Management Committee or the First Minister and I don't believe that the government will intend to deny us that information, but the sooner we get it the more clear we will become on all the other departments. I'd like him to consider whether it couldn't be arranged for that to be done fairly soon.

MR. CHAIRMAN: The Honourable Government House Leader.

MR. JORGENSON: Mr. Chairman, there are three opportunities my honourable friend will have to discuss this matter. One will be in Capital Supply Estimates during which time the officials of the department will be before the Minister. The second opportunity will be during the consideration of the Estimates of the Department of Finance which I think would be the logical place and my honourable friends, to a large extent, have the calling of that committee at an early opportunity within their hands. The third opportunity, of course, would be in the final consideration of the Main Supply Bill that we present upon the conclusion of the Estimates. I know my honourable friend would perhaps not want to wait that long but it would seem to me the most appropriate occasion would be during the consideration of the Estimates of the Department of Finance when the officials will be present. If my honourable friend wants to call that committee early he has that prerogative in the other place.

I have already indicated the two departments that will be called in this Chamber and I would not like to change that order. It will be the Department of Education following Mines and Resources and the Department of Health and Social Development following Education. But, to the best of my knowledge, no decision has been made as to which departmental Estimates will be called outside the Chamber in the other place when Public Works and Highways are through. That would provide, I think, the earliest opportunity for my honourable friend to have the departmental officials that he would like to have before him and the information that he would like.

MR. CHERNIACK: Well, Mr. Chairman, there's no doubt that it could be done when we get to Finance but before we get to Finance these questions will arise and certainly we can't wait for the Capital Bill because that Capital Bill will be Schedule "A" only, self-sustaining, and therefore will not apply to General Purposes. It's not a debate I'm looking for, it's information I'm looking for, and I had hoped that the Honourable the House Leader would see his way clear to getting that information but if he wants us to try and ferret it out as I'm attempting to do, and have been doing these last three departments, I will have to continue to do so, but I don't feel like letting go a department unless I have the answers. I don't blame the Ministers for not having the answers.

MR. JORGENSON: Mr. Chairman, before I give a commitment to my honourable friend I would like to have an opportunity to discuss the matter with the Minister of Finance who has not returned yet and I wonder if my honourable friend would wait until the Minister of Finance comes back. I will ask him about it and undertake to try and provide the information that he seeks.

MR. CHERNIACK: That's all I ask for. I did not expect, I did not think I was entitled to get an immediate commitment. I think that it's a matter he should consult about and if we'll have an answer this evening or tomorrow then by all means we'll know where we're at. Meanwhile, I have to keep asking Ministers questions expecting that they won't know the answers which is what has been happening up to now.

MR. CHAIRMAN: 1.(a)(1)—pass — the Honourable Member for Inkster.

MR. GREEN: Mr. Chairman, I intend to be brief, I hope that I will live up to my intentions. We are now dealing with the Minister's Salary and in doing so I would, for starters, like to congratulate the Minister for the position that he is assuming with the new government. I want to wish him well in everything except his political endeavours but certainly I wish him well in the administration of his department. I believe that he has a well operating department and I believe he has the capacity to administer it in a way in which it will continue to operate efficiently. I say that — I suppose it's to some extent unintentionally, but nevertheless, to some extent self-congratulatory — because I believe it was operating efficiently up until now but I certainly believe that the Minister has the capacity to, if he likes to run it efficiently and let's forget about the past.

And I also, Mr. Chairman, think that a few remarks can be made with regard to the manner in which the Minister presented his Estimates. I think that he did so in a very good style, that he did not attempt to provoke but when the time came for him to be able to deal with positions that did involve some antagonism — not antagonism but did involve some conflict of views — that he, in my view, stood up exceedingly well and I hope that there will be many, not too many, but the remaining term of the Conservative administration when we will have the opportunity of dealing with his Estimates again. So I want to make those remarks in closing on the Salary.

I do, Mr. Chairman, want to point out that several things came out during these Estimates and these relate, not merely to the Minister's Estimates but to the global Estimates of the government. The Minister said that the Estimates have been reduced by \$3 million and if one doesn't look into the statistics and doesn't deal with what the reductions are, that sounds like an impressive figure. I indicated before the Estimates were delivered that there would be a reduction in the Mineral

Exploration Program. It has nothing to do with efficiency; it has to do with a change in beliefs and direction on the part of the government and the Minister says that it will do good. I believe that it will do bad and result in losses to the people of the Province of Manitoba and I don't expect to resolve that dispute. But it has nothing to do with fact.

In other words' the \$3 million that was being spent on exploration was being spent — if one accepts the program — in an acceptable way. There weren't too many people working on it; the work that was being done was done efficiently and, as a matter of fact, considerable effort was taken to make sure that our expenditures were matched by the expenditures that were supposed to come in from the private sector and I don't think that the Minister is indicating that there was any lack of efficiency. There was a programmatic difference. That figure, Mr. Chairman, accounts for the entire \$3 million; \$1 million of it is found in Mineral Resources and the other \$2 million is found in a reduction in Capital Expenditures of the Acquisition/Construction of Physical Assets which the Minister delivered showing a \$2 million reduction in those agreements yesterday. So that's the total of \$3 million. The Minister is then able to take and do exactly what we did — and I'm not criticizing him for this — take the eliminated programs and use the money that was available for eliminated programs to maintain some of his new thrusts, and there is a new thrust there.

Mr. Chairman, it should not go by unnoticed that there is \$500,000 on Bridges and that's per year. That is a new program introduced in a year of restraint. I'm not sure that the province should have made the decision — I know that we were considering it — that \$500,000 per year which had previously been a municipal responsibility would be spent on bridges merely because drainage works were going in. There is also \$1 million more in construction, in reconstruction of drains, that are in these Estimates similar to what was done in Highways.

So, when we are talking about government expenditures and the government spending money like it goes out of style, that can be a criticism except when it comes to roads and drainage. That's what I mean when the Honourable Member for Lakeside . . . I call that rural socialism. The rural people who came to my office were never against socialism provided it applied to upgrading their lands with the expenditure of public money, upgrading their lands by the construction of drains, by the acquisition of roads to their individual benefits and to the increased value of their lands. Now that — as much as they hate it, hate to admit it — is socialism. It's socialism which affects one part of society but it's expenditure of public funds we get from all the taxpayers, from the people in my constituency, to do it with regard to their lands, farmers' lands.

So, let us not lose sight of the fact that there is that increased money. Taking public money and trying to develop and explore and get the best use of our mineral resources — which is one form of socialism — and taking money and developing roads and drainage for improvement of farmers' lands and they will be the beneficiaries and all of us will gain from their self-interest, that is the theory but, nevertheless' it's the use of those public moneys.

Now, the other thing, that that essentially, in capsule form, represents what has happened to these Estimates. Three million dollars has been reduced in mineral exploration and in the mineral side, \$1.5 million has been increased in the water area which I think that area was lagging behind, I said so last year, and the moneys have come from programs which probably have terminated and therefore are able to be diverted.

Insofar as the so-called reduction of staff is concerned, Mr. Chairman, one figure is most important. There were 111 vacancies last year and we can have all of the other arguments set aside, there were 111 vacancies last year, there are 60 vacancies this year and roughly the same complement which means that any reductions can be made up by an accelerated hiring procedure. What we did find out is that on the permanent side, if we ignore contract — and the Minister doesn't want to do that but I'm going to do that — there were 680 permanent and term last year; 690 permanent and term this year. The reduction has been removed by the accelerated hiring program.

Mr. Chairman, that's not the only thing that's going to happen. This much-heralded efficiency and restraint is going to be dissipated by announcements. The Minister, if he is true to himself and says that he won't let false pride stop him from doing so, is going to have to hire some health inspectors because, Mr. Chairman, the way in which the so-called efficiency has been achieved is by a method which no efficiency person will tell you should use. It has been achieved by using neither rhyme nor reason. The people that were let go, the positions that were not filled were those that happened to be vacant, happened to be vacant, whether they were needed or not, whether it was a vital position to the department or not, those were the positions that were discontinued.

Now, Mr. Chairman, that's not efficiency, that is the antithesis of efficiency. And what will be done to correct it — and it must be corrected — is that the Minister is going to have to come into this House, as will other Ministers, as we've seen happen in the last week when the government expenditures have jumped by \$5 million, by things which are necessary. But the most outstanding example of how that occurred — Mr. Chairman, about a week ago I heard the Minister of Health talk about the leaking taps and out of control and nobody knew what was happening, and spending in a style that had no sense to it, and how that government had the courage to say no, that that was their biggest attribute, the courage to say no. He stood up and said, "I will say no to this pressure group and no group is going to intimidate me into saying yes and you can rely on the Conservative government not to be pushed around." He said that on Tuesday night. On Wednesday he visited Snow Lake and he said, "Yes, yes," to the tune of \$750,000 this year.

Now, Mr. Chairman, I'm not criticizing that expenditure. It is probably a very important needed

expenditure. What I am criticizing is the facade and the window-dressing that has been created by this government. And you know, Mr. Chairman, the deck of cards is starting to crumple. The suggestion that they had a terrible deficit and that they were controlled, when that was used as an excuse for the implementation of policies that they should have had the courage to say they would have done whether they had a big deficit or not, because that is their beliefs, and I would have respected that; but they didn't have the courage. That is a house of cards that has collapsed. The big mess has turned out, Mr. Chairman, to be the big lie and is recognized as such by the people of the Province of Manitoba.

I'm sorry that the Minister of Finance is not here because he thinks my particular accusations against him were directed to the fact that he got up and said to the Premier of the Province of Manitoba that Estimates have not substantially changed. That wasn't the lie which I attributed to the Conservative Government. The lie which I attributed to the Conservative Government is that the way they are behaving, and their spending program and their restraint program is based not on what they want to do but what they are forced to do. That's the lie and that's the cowardice which has been demonstrated by this government, when they didn't have to do so.

It's not only wrong, but as in so many other circumstances, what is politically wrong is also wrong and what is wrong and the corollary is, what is wrong is also politically wrong. The Conservative Government could have come up and said that these things that we are doing have nothing to do with any restraints that are placed on us. These are the things we believe in.

We believe that income tax should be reduced. We believe that spending should be reduced. We believe that 1,000 civil servants should be fired, and that's another facade. That's another hoax. They haven't let go 1,000 civil servants. They may have dealt with 1,000 positions, Mr. Chairman, redeployed them — and the Minister of Labour is now starting to worry about that statement that appeared in big black headlines and was desired, and the Winnipeg Free Press, 373 people laid off — now it was 342, and some of them are being deployed. And some of them are made up by the fact that vacancies are filled faster.

Well, Mr. Chairman, all of those things in capsule form are reflected in this department, and that's the charge that I made against this administration — not that the Minister had told a personal falsehood in response to a question — but that the government benches are a living falsehood when they need not have been; because there was, Mr. Chairman, some credibility which they established in their position that that's the reason that they are having problems; that the conservatism, an absence of government spending is a good thing, the biggest joke of all, Mr. Chairman.

Reflected in capsule form although not specifically with this department is that the government is going to stay out of business. We have now signed an agreement whereby \$8 million in social welfare assistance per year will be given to private enterprise rugged individualists who will then run around and say, "We as the Task Force can tell the government what to do." And when you give it away, Mr. Chairman, you show no losses and that's what the Minister in charge of DREE said, "The reason that we don't advance DREE moneys to private enterprise, the reason we give it to them is that the Minister of Finance does not like to clutter up the books with receivables.

Mr. Chairman, if we had operated the Manitoba Development Corporation in that unbusinesslike way, we would not have lost one penny in that corporation. It is absolutely the most flagrant misuse of social assistance welfare moneys to the tune of \$8 million per year — more than we lost on Flyer; more than we lost on Saunders — because over the years we did not lose \$8 million a year on Saunders and don't forget you are not compounding interest on this \$8 million per year. You are giving it to them and when Saunders was advanced \$8 million, the next year it was \$8,800,000 which we had to show on the books. This \$8 million will be written off every year, and after five years although it will have given away \$44 million, proudly announce the government that said that governments should stay out of business — and for the government that said that the people of Manitoba will not be asked to subsidize private people and business concerns, \$8 million per year, and we're not going to let you forget it.

Mr. Chairman, that's off — and I regret it — off these particular Estimates. But on these particular Estimates the difference is twofold. A change in direction, acceptable — what is obvious to politics that there should be a change in direction when there is a change in people of different beliefs. And secondly, no significant reduction of employees; no significant change in expenditures; and what reduction in employees there is can be made up in two ways, one by accelerated hiring and the next by supplementary announcements during the year.

I do, Mr. Chairman, want to indicate to the Minister that I felt that he did a commendable job in the presentation of his Estimates.

MR. CHAIRMAN: Resolution 1.(2) (a)(1)—pass. In accordance with Rule 19 I am interrupting the proceedings for Private Members' Hour.

MR. JORGENSON: Mr. Chairman, I am not sure whether anyone wants to proceed with the two items that are on the Order Paper for Private Members' Hour. We could ask the Speaker to take the Chair but perhaps if I could have an indication if anybody wants to go on those two bills then maybe we could just continue it if that's agreeable to my honourable friends.

Very well then, Mr. Chairman, perhaps we'll just continue on in the Committee of Supply.

MR. CHAIRMAN: The Honourable Member for Transcona.

MR. PARASIUK: Thank you. I have some particular questions I'd like to ask relating to the department. I haven't been able to be here through much of the discussion of the Mines Estimates.

Specifically, I was wondering if the Minister could inform me as to whether in fact the Environmental Assessment Review Process was applied with respect to the condominium development in the Whiteshell area.

MR. CHAIRMAN: The Honourable Minister.

MR. RANSOM: Mr. Chairman, that question was raised previously and I undertook to get an answer for it. As a matter of fact I had a number of questions that I undertook to get answers for and I'll deal with those now, if I may.

The matter of the condominium development, the situation was that under the application of the existing policies of the Environmental Assessment and Review Agency, that development did not require an assessment because the assessment process deals only with government projects. The and Crown agencies assessment review does not apply to private undertakings. Even though the road would be within the park itself I'm advised that the existing policy and it has not been changed by me or by this government, would not require that assessment.

I gave an indication a day or two ago, Mr. Chairman, that an impact assessment on the 500 kilovolt line to Brandon had been completed. That was an incorrect reference. I should have referred to the 500 kilovolt line that goes to Sprague, not the one to Brandon.

I also undertook to make an enquiry for the Honourable Member for Wellington concerning the involvement of Templeton Engineering in Polar Gas studies. I am advised that neither Templeton Engineering nor the — I might term an associated company, I guess — IBS, neither of those to my knowledge are involved in Polar Gas studies.

I also had undertaken to get a copy of the City of Winnipeg report on Mosquito Biology and Control which the Honourable Member for Fort Rouge had asked for. I have a copy of that and would make that available.

The Honourable Member for Inkster had raised the question of jurisdiction respecting Hudson's Bay Mining and Smelting, and it's my understanding that negotiations have taken place and further negotiations will take place between Manitoba and Saskatchewan, to work out a joint position for submission to Ottawa, with the intention of course that that particular and somewhat peculiar situation would be resolved.

I believe that largely covers the questions that I had undertaken to answer, Mr. Chairman.

MR. PARASIUK: Thank you. I thank the Minister for his answer with respect to the Jarmoc development in the Whiteshell. However, it is my understanding that that road will become public property once the development is completed. I thought that was part of the agreement, that at some stage the road would become a public road, so I think that the rationale used by departmental officials in this instance is probably mistaken. I think one of the reasons why it's somewhat mistaken here is that they are dealing with a rather unusual circumstance, that is a development in a public park by a private individual and I don't know if that was envisaged when the regulations pertaining to the Environmental Assessment Review Process were being established.

Given that unusual circumstance, I would hope that the Minister would take this matter under advisement in that it appears that the Minister of Tourism is going to allow further private developments in public parks and if that's the case then I think that public property in the park has to be properly protected. The environment in the park consists of the water, the foliage, the wildlife, the water quality, fishing quality, and I think it's incumbent upon his department — that is the Department of Mines and Resources — to apply the Environmental Assessment Review Process very carefully in these rather unique or unusual circumstances that seem to be developing with respect to public parks because of the change in policy of the new Conservative Government.

That policy never existed with past Liberal, past Conservative and past New Democratic Party administrations. The Conservative Party, nowadays is embarking on a new form of privatization of public parks and people across the province are horribly concerned that with that generally — with the privatization of public parks generally — but they're also concerned that proper environmental checks aren't being made for these developments. And as the Minister responsible for protecting the environment, I would hope that the Minister isn't really failing in his duty in this respect.

This is a new circumstance, it's a new situation that was not envisaged in the past and frankly, when he gets up and says that we're following past governmental policy in this respect, I think he is mistaken. What's happening is that the government is embarking on new policy which wasn't envisaged by the regulations.

I also noticed that the Minister has been appointed Chairman of the Indian Land Claims Committee, that was just done recently. He's been appointed Chairman as Minister of Mines, Resources and Environmental Management. Given that situation, he is saying that they are trying to develop some clear or broad policy with respect to the whole issue of land claims and he indicated, or it was indicated in a press release, that to date there have been a number of individual settlements but there has been no general policy established. Given the very diffuse nature of the claims that have come forward to the government in the past regarding questions of land transfers, mines and mineral resources transfers' land exchange formulas for airstrips, land exchange formulas for roads, given

the fact that these aren't a whole set of related matters, is it somehow the intent of the government, and more specifically of the Minister to develop some type of general policy with respect to Indian land claims when it seems very difficult to imagine that any general policy could exist? I was wondering if he would like to comment on that particular task that he has undertaken as Minister of Mines and Resources.

MR. RANSOM: The intention, Mr. Chairman, will be to provide what might be called a clearing house function, I guess, with respect to the various problems that are faced, that rather than simply dealing with them through individual departments, this will provide a means of getting some co-ordination of them. The subcommittee of Cabinet will be advised by a group of technical people drawn from various departments of the government. So it's simply an effort to get a perspective on the overall problems that we face and, as we've said in the release, try and get some co-ordination or greater co-ordination. If the honourable member is sensitive in any way that there might be criticism embodied in that statement, it's simply an effort from our point of view to gain a perspective that we think is necessary.

MR. PARASIUK: Thank you, Mr. Chairman. I was not raising this matter because I was sensitive about any allegation or even an inference of a lack of a co-ordination, but rather I'm afraid of the issue being defined in a very narrow manner in terms of land claims per se and arguing about wording of treaties, years back, without putting the whole question or issue of the economic and social development of the Indian people into a larger context. I think what we have to talk about are not just the issues related to past land claims but those related to what is going to be done to ensure that Indian people have the ability to exercise meaningful options as far as they are concerned, either meaningful options in terms of staying on the reserve. . . . And if they do stay on the reserve, what are the options for them on the reserve? Just a continued dependency upon the Federal Government through Indian Affairs, a dependency which the Federal Government is trying to foist onto the provinces by the way, and which I think has been costing the provinces more and more money all the time. We've had situations in Churchill where Indian Affairs has closed up their office and told the Indian people there that if they've got any problems they should go to Thompson. Well that's an impossibility for those people; they can't get to Thompson to talk about their particular problems. So what is in store for the Indian people living in a place like Churchill or in Lynn Lake if Indian Affairs federally closes down their office and says, "Go contact Thompson?" That's not a meaningful option for them; they can't do it. And what's going to happen with these people with respect to economic and social development, what's going to happen with respect to education, what's going to happen with these people with respect to the possibility of their trying to take jobs in those resources which are developing in the north of a more traditional manner, that is, the pulp and paper industry, the mining industry? Or if they choose not, for a number of reasons, to exercise that option, will they have options with respect to earning an income in industries which they are more used to? That is, in the area of trapping, in the area of fishing, in the area of providing for some of their needs by producing some of their own goods, houses, furniture, etc., without having to import these at very high cost.

We've got a very large unemployment problem in northern Manitoba, a lot of Indian people are unemployed, and yet, ironically, they are importing most of their goods and services from outside of that area. Surely it would be possible for these people to build their own houses, surely it would be possible for these people to provide for their own energy needs rather than flying in diesel fuel. I am hoping that when the Minister undertakes tasks relating to Indian land claims that he doesn't put the issue in a very narrow context but rather tries to look at some of these larger implications, or larger policy questions, which are quite important.

I'm wondering whether in fact the policy of the past administration with respect to the moratorium which was placed on the commitment, or new commitments to economic development on the eastern side of Lake Winnipeg, pending some type of development of development proposals by Indian and Metis communities on the east side of Lake Winnipeg, has been changed? Is that moratorium still in place or are commitments being given for the useage or the development of natural resources in that area?

MR. CHAIRMAN: 1.(a)(1)—pass — the Honourable Member for Transcona.

MR. PARASIUK: Is he aware of that policy which is a general policy or which exists for that particular area and for the Crown land on the eastern side of Lake Winnipeg?

MR. RANSOM: Well, I'll respond to his questions then, Mr. Chairman. I simply was giving the other gentlemen an opportunity to raise questions if they wished. The subcommittee set-up reflects the fact that there is no one place in the government, one department in the government that deals with native affairs, yet that situation involving native people is obviously one that is special and apart in some ways from the general problems that we face. So the subcommittee has been established. The membership reflects partly that in that the Minister of Northern Affairs, who obviously has considerable involvement with native people in his department, he is represented on that and the Honourable House Leader is a member of that committee. He is also the Chairman of the Provincial Land Use Committee and obviously the questions of land use bear on this issue as well. So this particular subcommittee, I am sure, will be dealing with questions that are broader than simply straight land settlements because I don't think you can make a land settlement without considering

some of these issues as well.

As far as employment of native people goes, we have said that we recognize there are no simple solutions to these questions obviously or they would have been solved by now. All we have said to date is that there has to be some kind of meaningful employment and I would suggest that the honourable member has probably referred to some possibilities that are, in fact, very real possibilities but, at this stage, we certainly do not pretend to have developed policies and programs that are going to be solutions to the problems. This is a first step, I guess.

As far as the policy on the freeze of any development on the east side of Lake Winnipeg, I would have to inquire as to the actual status of that policy. I'm not aware of any specific government policy but I certainly will inquire into that.

MR. PARASIUK: I take it from the Minister's explanation of the committee that what in fact has happened has been that an entity which did in fact look at this matter, it was part of the Cabinet structure that existed in the past administration, there was a Cabinet entity that was looking at the matter of native affairs, especially in connection with the federal-provincial implications. The chairman of that committee used to be the past premier, the present Member for Rossmere, in his capacity as premier of that administration. That subcommittee of Cabinet was, in fact, serviced by the Planning Secretariat which the new administration, for one reason or another, decided to disband saying that there was far too much staff involved, that they are going to do away with these types of central bodies because they can allocate particular pieces of the elephant to departments and therefore the general problem which is of an inter-departmental, multi-disciplinary nature, can be somehow looked at. I think they're very quickly finding out that the problem can't be fragmented that way, that in fact you do need central bodies that will provide an overview, that will in fact try and define the problem, that will look at the component parts, will look at those areas which aren't being looked at by departments because a department might be administering a program but administering a program doesn't necessarily mean that a very complex problem is being adequately looked at.

So, what we find is that there really is going to be a transition, that we are coming back into central committees of a co-ordinating nature. I compliment the government for recognizing reality and of accepting it and not for burying its head in the sand and of realizing that they do need central committees in order to take a look at some of these complicated problems, that they do need staff to provide advice and staff support to these central committees. Although some of these committees may in fact be staffed by people who are seconded from departments, to all intents and purposes those people, when they are away from their departments, are acting as central policy analysts.

I would like to move on to the area of Mineral Resource Development. In this connection, I'm wondering if the Minister has any particular objectives in mind for the development of what might be called value-added to the mineral resources in Manitoba. Our mineral resources are leaving the province in a raw or semi-processed state and anyone involved in development argues that it would be best to ensure that the resources don't leave our province in a raw or semi-processed state but rather are processed further because it's the actual processing of these resources that creates employment. It's the processing of these resources that creates added income for the province. People have said that Canada generally is a hewer of wood and a drawer of water and we ship off our raw resources to other countries in raw form and bring them back as Datsun cars. The employment and the income has been created in the actual transforming of the raw resources into Datsun cars and Toyota cars.

I'm wondering if the Minister has put forward any proposals, does he have any plans in mind at this stage to try and ensure that perhaps we have more smelting, more refining done in Manitoba and, furthermore, whether in fact there would be further linkages to these raw resources so that they could, in fact, be kept in Manitoba and developed into finished products which Manitobans themselves are importing? Do you have any particular plans in that respect?

MR. RANSOM: We have no plans in that regard at the moment, Mr. Chairman.

MR. PARASIUK: Well you're confirming that you aren't really concerned about the whole issue of trying to get more value added in the province, that you're not that concerned with the fact that we actually, as a country and as a province, import finished products and export raw resources. This has been a chronic problem of the Canadian economy for a large number of years and it certainly is a problem with the Manitoba economy. I would have thought that the Minister would have acknowledged that that is a problem with the Canadian economy and would have attempted to ensure that we could get out of this spiral which frankly, over the long run, as Third World countries start developing their raw resources, will leave us at a less competitive position with the Third World countries, and not only will we not be exporting raw resources because Guatemala and Indonesia will be exporting raw resources but, secondly, we will have not developed the secondary industry necessary for making that transformation and becoming a more mature economy.

Since there are no plans envisaged for that particular area; that is making sure that the minerals don't leave the province in raw form but rather stay in Manitoba and are processed, I'm wondering if then the Industrial Development Agreement that has been signed by the Minister of Industry and Commerce will have any application at all to his area. In the past when DREE agreements were signed with the province we always tried to ensure that some of the DREE agreement related to mineral development and that mineral development is a very important component of the provincial

economy. Will any of the \$44 million agreement which the Minister of Industry and Commerce has signed on behalf of the Government of Manitoba be utilized to further develop mineral resources in Manitoba?

MR. RANSOM: It's my understanding, Mr. Chairman, that the negotiations that might bear upon mineral development agreements are still under way.

MR. PARASIUK: Does the Minister think that it's just sufficient to have the minerals taken out of the earth in Manitoba, never to be replaced because they are non-renewable resources, than have them taken out of the province in raw form to be utilized by other people as a component of production and made into something useful which the people of Manitoba need and which they then have to buy back from these other economies? Does the Minister think that that is a good idea — to have minerals taken out in raw form, not to be renewed, and shipped in raw form out of the province?

MR. RANSOM: Well, I think the honourable member is probably aware that the mining industry is very much involved with the international picture whether we like it or not, when we get a situation where approximately 95 percent of the Canadian nickel production is exported then I think there are economic factors involved that perhaps bear a little more strongly on the issue than the particular philosophy that the honourable gentleman espouses. I think those are the sorts of things that have to be given particular attention in this regard because, as he pointed out, the future involvement of productions in Guatemala and Indonesia does not hinge particularly on what happens in Manitoba, but it is very much a condition situation that Manitobans are going to have to pay considerable attention to.

Mr. PARASIUK: Well, I'm even more concerned now that I've been listening to some of the answers of the Minister responsible for Mines. Basically what you are saying is that the minerals which are owned by the people of Manitoba which are mined on Crown land, that these minerals somehow are in the hands of international corporations and it is they who will decide how the minerals will be taken out, at what rate they will be taken out, how they will be processed, and what the final form of these minerals is, and where they will be processed. Now, surely if we are the owners of the minerals, and the people of Manitoba are, in fact, the owners of the minerals, they should be — the government which is the trustee — should be concerned about insuring that those resources are developed in the most beneficial manner to Manitobans, not only today but 30, 50, 100 years from now because we are dealing with a non-renewable resource. If the Minister says this is solely a philosophical matter I must tell him that there are a number of other governments of different philosophies, differing philosophies, who are acting as owners of resources and acting in a responsible manner with respect to this question.

If you had a private company which owned all of the minerals in northern Manitoba that company would not do what the Minister says a government should do, and that is leave it to that group that comes in and on a management basis mines the minerals. They are not the owners. We are the owners, the people of Manitoba are the owners. Therefore we shouldn't leave the future of the minerals and mineral development in Canada and in Manitoba solely in the hands of private companies, and is that what the Minister was saying when he said that these things are of an international nature and therefore the province doesn't or shouldn't have any say as to how the minerals are mined and at what rate they are mined and where they are processed. Does the Minister feel that the province shouldn't be saying anything about that, that the forces of international, multi-national corporations are so large that the province is too small, or possibly too timid to try and deal with this question in a more rational manner?

MR. RANSOM: Well, Mr. Chairman, I realize that the honourable member has legitimate concerns in this regard. I also have concerns, we dealt with this particular issue yesterday, went through similar sorts of arguments, and my position yesterday was that as far as we are concerned the development of the mineral resources is best to be carried out by private industry. If you wish to attach the term "multi-national" to that so be it. We believe that the economic decisions that are involved are best assessed by those companies. They're in the best position to do that from a philosophical and theoretical point of view. Perhaps the honourable gentleman has a position — obviously he has a position that he feels he can defend but when he refers to a responsible position of ownership, then I guess I would ask him whether he would consider that the situation in Zaire for instance, is a responsible one where the government produces copper, I believe, at a cost of 69 cents a pound and sells it at 58 cents. I guess they had some control over the industry in Zaire but they're losing 11 cents a pound on the copper they sell at the moment.

MR. PARASIUK: My position, I really hadn't thought we were talking about Zaire but I gather Zaire has taken over the ownership. They have taken over the ownership of the copper companies and they are producing now. They might be producing at a loss in the short run. Perhaps they have the objective of acquiring American dollars or hard currency — perhaps even a harder currency than American dollars — in the short run, and that might be one of the reasons why they are trying to sell their copper at a lower price than prevailing world prices in order to acquire that supply of hard currency, but the point is that the Minister is implying that somehow the interests of a large multi-national corporation, like Inco, are synonymous or are totally complementary with both the short-

term interests of Manitoba and the long-term interests of Manitoba.

I would suggest that that is a very naive position for the Minister to take. It is a position that many people, regardless of philosophical stripe, have not taken because if you look at what the intent of a multi-national corporation is it's to so organize its activities in a manner which creates the greatest profit for the company. If there are costs associated with that the attempt is made on the part of the multi-national corporation to transfer as much of those costs on to other bodies as is possible. So that if there is a layoff in Thompson and 1,200 people are let go it is not Inco that absorbs that cost, it is the province of Manitoba that absorbs that cost, so that whatever money we pick up out of royalties, out of mineral development, often are used up in picking up those social costs of dislocation when a mine closes in Bissett or when Inco lays off people in Thompson, Manitoba.

And if he somehow assumes that we should sit back passively and allow Inco to develop a very good project in Guatemala and Indonesia using our money which they have received through incentives of various forms from the Federal Government and in depletion allowances, what will happen, Mr. Chairman, is that Inco will solidify its position with other sources of nickel and then it will come back to the Province of Manitoba and says, "Well, using Canadian money we have established a good position of leverage against you and we're now in a better bargaining position so we want you to lower royalties, we want you to pay more for education, we want you to do a number of things. We want you in a sense to pay us to take your ore out of the province in unprocessed form." 30-06

And that is the box that you are working yourself into. You are making yourself totally dependent upon Inco and Hudson's Bay Mining and Smelting, and nowhere in the history of capitalism has it been shown that those interests are of a national nature or of a provincial nature. So when you start talking about the role of government with respect to business I think that you are on stronger ground when you're talking about manufacturing. We don't own anything with respect to manufacturing, but I think you're on very weak ground when you're talking about how the resources which the people of Manitoba own should be developed, should be husbanded. I think that's when you're on weaker ground. I think it's incumbent upon you as the owner, or representing the owner; namely, the people of Manitoba, to develop short and long run plans for the development of mines in the future.

We had a policy which says that the people of Manitoba would control the way minerals were developed, and it was a policy which the mining companies grumbled about at first but which they were willing to be involved in. What you have done you have said, "Well we don't believe in that policy," and you haven't explained why? You've backed out, frankly, I think, for ideological reasons, and you've given no explanation or description as to how the interests of the Province of Manitoba or the people of Manitoba will be protected with respect to something they own; namely, resources. The trouble with these resources is that they're very valuable. They may be very valuable in 10 or 15 or 20 years. They may even be more valuable than they are today, but the point is if they're taken out of the ground and nothing is left to replace them they won't be valuable at all.

I've heard members on the other side of the House say that people on this side just don't understand farming. Well, some of us have farmed and we find that in a comparable situation with respect to farming farmers don't act the way the present Conservative Government is acting. If you went to a farmer and you told him that you would like to rent his land that farmer would ask for a quarter or one-third share crop, the gross value of the yield. Now if you said we'll give him 3 or 4 percent the farmer would tell you that you're crazy, but that's often what we are doing when we are looking at the royalty structure here and in other provinces. If you went to the farmer and said, "I'll give you 3 or 4 percent of the gross value of the minerals, or I'll give you 3 or 4 percent of the gross value of the grain that's produced in this year, and, in addition to that I'm going to take your top soil, the farmer would run you off the farm.

A MEMBER: With a shotgun.

MR. PARASIUK: But that's what we're allowing right here. We're allowing this same thing exactly. I would like somehow to have the Minister of Mines try and explain his position with respect to what we should be getting from resources which we own, which are non-renewable to farmers and liken the minerals to top soil, because that's exactly what we are talking about. And if you take the top soil out of the soil it's not productive at all any more, what's left. And that's what happens when you take the minerals out of the ground up north. I think that there will be very little use for the rock around Flin Flon after the minerals are taken out. I don't know if you can do anything with it. I don't think you can plant anything on it, really. It's going to be very difficult. So that means you have to be very careful, in fact you have to husband that resource which you have; you have to conserve it and you have to be very careful with it because once it's gone, it's gone.

Now I would hope that the Minister, with all this staff that he has — and we're in the process of approving his Estimates and these Estimates are pretty substantial Estimates, and we're talking about a fairly large expenditure of money with respect to mineral resources — I would hope that the Minister would use these resources that we are giving him, through the Estimates process, and protect the interests of the people of Manitoba and not just use these resources to facilitate the activity of private companies whose interests, I repeat, aren't the same as those of Manitobans. They may be similar in some respects, but in many respects surely they will be different.

MR. CHAIRMAN: 1.(a)(1)—pass — the Honourable Member for Wellington.

MR. BRIAN CORRIN: I don't know whether I'm preventing the Honourable Minister from rising. I'm not sure I caught the question either, but were you going to rise?

Mr. Chairman, I first of all should preface my remarks by saying that I now must raise a question that I embarrassedly should have raised some time ago during the discussion of this particular Minister's Estimates.

The fact that I did not raise this matter is solely my own responsibility. I said I was embarrassed. I, unfortunately, misplaced my information at the relevant time, and therefore was unable to bring it to bear when the matter was under full discussion. I say this because I appreciate that the Minister is now in a position, as it were, where he is alone and unprotected. His staff is no longer seconded to this Assembly and therefore he may wish to take the questions I have as notice rather than try and direct an answer to me because the matter, I think, is of a somewhat significant technical nature and not necessarily one that one could expect a ready reply from the Minister.

In any event I'll proceed with my question and we'll see how we do.

My question should have been discussed during the consideration of the Clean Environment Commission appropriation. Again I'll preface my remarks by saying that for some time I've been following the progress of the Clean Environment Commission with a great deal of interest. I've done so because I, like many others in this province, look to that commission to protect the birthright of the people of this province, namely, its natural environment.

So you can imagine my shock and chagrin when one day I was leafing through a volume of digests called the Western Weekly Reports, which reports legal decisions in the western provinces of our country, and found that none other than the Manitoba Court of Queen's Bench had determined and decided that certain provisions of the Clean Environment Commission — which many of us deemed to be salutary, important, imperative, for that matter — were ultra vires, were beyond the jurisdiction of this Provincial Legislature.

I was shocked because in the context of that particular legislation I felt that it was absolutely necessary that this provision be included. This was the provision that allowed the Clean Environment Commission, upon determining that there was in fact a nuisance when there had been a complaint brought with respect to some sort of damages caused to the natural environment, to determine the party responsible for the nuisance and assess, as it were, costs to the liable party.

The Court of Queen's Bench, the Honourable Judge Wilson of our province, determined that it was well within the power of the Clean Environment Commission not to assess liability, but rather to effect a clean-up, but they couldn't pass on the costs of that clean-up to the party responsible.

Some of you are aware — both the members for Brandon are out of the Chamber — but I know both of them are intimately familiar with the issue in question that brought this matter before the Court of Queen's Bench. This was the case involving Texaco Canada Limited and it occurred, as I said, in the City of Brandon in December of 1974 and involved a fairly extensive escape and seepage of gasoline in that city.

The consequences were such that the Clean Environment Commission was required to call for a clean-up, a restorative operation, and upon doing so, of course, paid for that restorative operation through the provincial coffers.

The parties affected, namely Texaco Canada and their lessees on the premises, went to the Court of Queen's Bench and alleged that we didn't have power to assess those costs against them and the Court, as I said earlier, upheld that position.

I am quite concerned because it seems to me that the legislation effectively is toothless without that particular provision and I address that to the Minister because I am quite aware, and I'm sure he's aware, I've already sounded out the former Minister responsible for this department, I'm quite aware that there was in the tenure of the former Minister — now the Member for Inkster — a proposal that retroactive legislation respecting the Commission's right to sue damaging parties was being prepared by the Honourable Minister's department.

I would ask at this time whether or not the Honourable Minister can apprise the members of the Assembly as to the progress of this particular legislation.

MR. CHAIRMAN: The Honourable Minister.

MR. RANSOM: The matter is under consideration, Mr. Chairman.

MR. CORRIN: Well, might I ask, in view of the fact that the matter is under consideration, whether I can fairly infer — and I stress the word fairly because I don't want to unfairly or unjustly infer anything — that there may be a change in policy with respect to this particular proposed legislation and that the retroactive legislation enabling the province to seek recourse through the courts might, indeed, be struck down before, in effect, it's given birth. Is it correct to assume that to be the case, Sir?

MR. RANSOM: Well, I think the honourable member is probably aware, Mr. Chairman, that if and when legislation is introduced that it will be discussed in this Chamber, and that would be the time to get into the details of it.

MR. CORRIN: Well, in view of the fact that the Honourable Minister has said, if and when, and that's a pre-condition which obviously may never be determined, I would ask whether he can give us any idea as to when an actual decision in this respect will be taken. In other words, when we will know whether legislation, in one form or another, will be brought before the House.

I think in all fairness it's not unreasonable to suggest in view of the fact that we know — we know through the Member for Inkster who was privy to the departmental operations of the Honourable Minister — we know that retroactive legislation was, in this case, so to speak on the plate of the department officials and in view of that I think it's incumbent upon the Minister to make some measure of pronouncement with respect to the possibility or probability of whether or not this legislation will be before this House. I don't think it's sufficient just to say, "It's under review." One, Mr. Chairman, could say that with respect to any matter that was raised in this House. I suppose any member of the House could rise and could indicate that a matter was under consideration, but this is a matter that has been under consideration for a long time. It's a serious matter involving provincial rights. If, in fact, no legislation is going to be in one form or another, brought before this House, then it would be my submission that it would properly be the case then of a Private Member's Bill, and I would be quite pleased to bring a Private Members' Bill to this House in order that it can be properly debated.

But if the Minister tells me that that's not the case, that there will be a public bill brought before this House, I will reserve my right to bring a Private Member's bill and I will forebear. Could the Minister please indicate whether I should bring a Private Member's bill before this Assembly?

MR. RANSOM: Well, Mr. Chairman, it would not be up to me to advise the honourable member in that regard, he may or may not be aware of the procedures that are followed in developing a legislation. I have assured the honourable member that the matter is under review. As far as entering into any type of estimation of odds as to what the chances are of it getting to the Legislature, I am not prepared to do that.

I tell him that we are aware of the situation, that it is under active review and I would suggest that probably very shortly we will know whether or not there will be a bill introduced.

MR. CORRIN: In view of that I feel compelled to remind the Honourable Minister — although I don't think I need remind the Honourable Minister of this — that it's his government's expressed desire to continue along the tack that entails a great deal of restraint, and restraint isn't just a question of fiscal restraint in the sense of reduced spendings. If one can recuperate or recover losses, that is also a sane process of restraint.

Now, what I am suggesting to the Honourable Minister, that in circumstances and a situation like this, where the province is unable, because of a decision which I personally disagree with but nevertheless one that was taken, to pursue damages through the courts and to pursue a proper claim in the previous fashion, through the Commission, I would suggest that it's incumbent upon the Minister and his government to bring forward legislation that will enable us to recover our costs.

I don't think one need overly aggrandize on this question, but obviously in cases of substantive environmental damage where an order is made by the Clean Environment Commission entailing an extensive clean-up — and although this particular case involving the gasoline seepage is not really exemplary of that particular point — I'm sure that if I had sufficient breadth of experience in this House, I'm sure if the Honourable Member for Inkster were here, he could point to numerous examples where the costs entailed were in fact substantial.

I don't think in these days of gasoline disasters and so on, one need think purely in a speculative fashion in order to establish the possible severe consequences of our failure to act in these particular circumstances.

So I would suggest that it's incumbent upon the Minister and his government to give immediate attention to this matter, if not for any other reason than to implement the policies of restraint which his government has engendered in public life in this province; and in order to show the public, to demonstrate to all the public, that there is indeed, in effect, consistency in the government's approach to restraint; simply to say that there'll be cutbacks; simply to say that we'll have fewer civil servants or fewer programs, that they will do things in a more economical fashion — although that is in part quite laudable — and quite frankly although I can't agree with all of it I certainly agree with some of it. It's a question of degree, I suppose.

But to say that we're not going to take measures to recoup losses that are rightfully ours — incurred through no fault of ours — because we have passed legislation to protect the environment for the people of Manitoba and we've incurred losses in doing that, that we're going to let the people who caused those losses pass scot-free through the gates, because we don't have the fortitude to enact legislation that will give us the right to pursue these losses and damages, is to me specious — not only specious indifference — but it's some sort of tragic bankruptcy of public policy. It simply doesn't reflect the justice inherent in this particular situation.

So I would ask the Minister again, whether for those reasons of economic restraint, if nothing else, if he's not motivated, my concern about having to draft a Private Member's bill, will he, for reasons of public economic fiscal restraint, will he consider bringing such a bill before this House, and if so, when?

MR. CHAIRMAN: 1.(a)(1)—pass — the Honourable Member for Wellington.

Tuesday, April 25, 1978

MR. CORRIN: A short editorial comment before I go on to my next question. I don't think — again I always have to preface all my remarks, Sir — I know I do not have a great deal of experience, but I fail to understand — and I'm not saying this purely to be argumentative — but I really do fail to understand why my queries can't elicit a simple response.

I don't think anything I've said is refutable. I don't think that the Honourable Minister has made any attempt to rebut what I said. He hasn't attacked any of the premises — not of my argument — but my submission and yet he simply refuses to respond, and that disappoints me, disappoints me a great deal, because that's not the process.

I know that here we're insulated from all the people of Manitoba and that there are, in effect, no people in the galleries. —(Interjection)— Very few. I fully appreciate that not everybody — this is not a matter of great moment, perhaps, or significance to the average person — but I think everybody is interested in matters of such public policy and I would ask the Minister, when questions such as this — relatively not innocuous, but important questions such as this — are presented to him that he make an effort to respond.

I would also give notice right now that I full well intend . . . Since this Minister has failed to respond I will continue this line of discussion when we review the estimates of the Honourable Minister responsible for the Department of the Attorney-General because I feel it is incumbent upon him as well to take a position. It's a matter that's full well within the purview of that department and I feel that it's important that a position be taken.

As I said, I have further questions. There is only some four minutes before we adjourn for the dinner hour. I'd ask the Chairman if he wishes me to embark on my further line of questioning or whether he would like since it involves a new area to wait till eight o'clock. Thank you, Mr. Chairman.

I would ask, Mr. Chairman, and I don't know whether it's fair to ask since the Honourable Minister demonstrated absolutely no capacity to deal with my first question. I would ask whether the Honourable Minister is familiar with the Mining and Metallurgy Compensation Act of this province, a second Act for which he has responsibility and jurisdiction. Perhaps I can just ask him, is he familiar with that Act? He was obviously unfamiliar with the former Act. I presume from the silence from the front bench that the Minister is not aware of the Mining and Metallurgy Compensation Act for which he has responsibility. The Minister would appear to be indignant, I can only say that if the Minister will not answer any question, I have to make these presumptions I do not want to make. Did you not hear the question? If you didn't hear the question, I will rephrase it. It's a childish game we're playing, but it is at your behest. —(Interjection)— "Sit down then," the Honourable Minister says. I'm sorry, that's not the role and function of the opposition. I think the Member for St. Matthews gave us an insight the other day into what he felt was the responsible role of an opposition member. I'm trying to be as constructive as possible, but it's not easy to be constructive when confronting a stone wall, confronting this bland face of indifference. I take it that the member is not familiar with the Mining and Metallurgy Compensation Act so I will now detail the provisions of the Mining and Metallurgy Compensation Act.

This is an Act that is intentioned to exempt mining, milling, smelting, and refining operations, operating within certain designated areas within our province constituting about 10.65 percent, my research tells me, of the province's land body, from liability for environmental damages. And obviously that has very serious repercussions. I would ask the Minister whether he was aware that 10.65 percent of this province was not subject to claims for environmental loss or damage.

MR. RANSOM: Mr. Chairman, I'm not sure whether the 10.65 percent is correct and I am not sure whether his interpretation of the particular Act is correct, but certainly would undertake to inquire into the particular situation and have an answer.

MR. CORRIN: Could the Honourable Minister undertake to do that before eight o'clock, Mr. Chairman?

MR. RANSOM: We'll attempt to answer the question as soon as possible, Mr. Chairman.

MR. CORRIN: Well in that case what I'll do, with your consent, the hour now being 5:30, I will rest, but I will certainly defer to the Minister in order that he . . .

MR. CHAIRMAN: Order please. The hour being 5:30, I am now leaving the Chair to return at 8:00 p.m.