

THE LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, April 24, 1978

Time: 8:00 p.m.

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY— HIGHWAYS

MR. CHAIRMAN, David Blake: Under discussion this evening are the Estimates of the Department of Highways. I would ask the Minister to introduce the Estimates of his Department. Mr. Minister.

MR. ENNS: Mr. Chairman, I am more than pleased to do that, noting particularly the presence of the Honourable Member for St. Johns, the former Minister of Finance, who has always shown an abiding interest in Highways, and we will proceed with my short introductory statement.

I am rather proud to say that this year's Budget contains the largest Construction and Maintenance Program ever presented in the Province of Manitoba to this Legislature. It is a balanced construction program encompassing the entire province. The total construction budget has been increased by \$8 million to a total of \$75 million, and the maintenance budget has been increased by \$1.7 million.

Of the major construction programs to be started this year will be the four-laning of PTH 59 from PTH 44 to PR 508, a distance of some thirteen kilometers. Also the four-laning of PTH 12 from Steinbach to the Trans-Canada Highway is going to be commenced during this construction year.

Considerable dollars will be earmarked for the continuation of the four-laning of PTH 7 from the Perimeter to the Stonewall access, a total of some 21 kilometers in distance.

While mentioning Budget increases, the grant to the City of Winnipeg for street construction will be increased from roughly \$10 million last year to \$15 million in this fiscal year. I think that that ought to be of some interest to our city members.

The Department of Highways Strengthening Program is continuing and major expenditures will be spent on PTH 12, 10, 4 and the Trans-Canada Highway, in total, in the federally co-shared sponsored program of highway strengthening.

The causeway over White and Schist Lakes on PTH 10 will be surfaced and this year be opened for traffic. This project will reduce the highway distance from Flin Flon to The Pas by some 10 kilometers, six miles.

Another highlight of this year's program will be the asphalt overlay and gravel-base coarse shoulders on the Trans-Canada Highway from Headingley to west of Elie. This has been of continuing complaint by truckers who have driven that route, and I am sure that the truckers of this province and national truckers will welcome that comfort that that will provide. This encompasses a distance of some 44 kilometers. Also the asphalt overlay from PTH 59 from the Perimeter to PTH 213 is encompassed in this program.

A major upgrading program will commence on PR 391, asphalt leveling will be undertaken from Dunlop to Wabowden as well as from Soab Lake to the Thompson Airport. Major construction by way of rock shoulders, rock re-enforcement of sub-grade, and base bituminous surfacing will commence from Wabowden to Soab Lake road, a distance of some 37 kilometers. The final 34 kilometers between Lynn Lake and Leaf Rapids will be paved this year.

This roughly is the highlights of the new construction program for the Department of Highways. There are, of course, numerous programs that will be undertaken under the \$75 million New Construction program, of which the members can apprise themselves of in the program that has been distributed to them.

We have tried, in the allocation of moneys available to us, to divide (a) between the 12 highway districts that divide the Province of Manitoba, to divide it as equitably as we can bearing in mind certain particular needs. Certainly the northern district has again received a substantial amount of money, as has the City of Winnipeg received a substantial increase in moneys. There are a few other districts that have received what might be considered some inordinate increases in money but that is largely because of the nature of the programs. I refer to the four-laning of No. 12 Highway from Steinbach to the Perimeter; the four-laning in that district encompassing the four-laning of No. 7 to Stonewall. These involve major commitments of dollars and increase the involvement in that particular section.

Now let me deal briefly with the Motor Vehicle Branch for which I also have some responsibility. During the year 1977 Manitoba experienced a 4 percent growth rate of licensed drivers. Numbers rose from 546,000 to 570,000, reflecting an increase of 24,000 licensed drivers in the province with 66 percent of the active driving population being 44 years of age or younger. Vehicle registration during 1977 increased from 627,000 to 664,000 for a growth rate of 6 percent. Commercial vehicle registrations increased in 1977 to 19,245 from 16,731 in 1976, reflecting an increase of some 2,514, or 15 percent. The most substantial increases were in the area of the PSV trucks which rose from 3,766 to 4,565, or an increase of 21 percent. CT trucks also rose from 9,567 to 11,476, or an increase of 20 percent.

To provide a better service or to achieve savings in the operating costs, the registrations of all

commercial vehicles was computerized.

In 1977 snowmobile registrations increased to 38,879, which has reflected a 33 percent increase. This increase was partly due to the unusual lack of snow which Manitoba experienced during the 1976 winter season' subsequently causing registrations to be below normal levels during the 1976 season. I am pleased to advise the honourable members that the snowmobile safety training program developed by the Motor Vehicle Branch was recognized by the Snowmobile Safety and Certification Committee as being one of the best in North America.

Preliminary figures reveal that accident rates have increased in Manitoba during 1977. A total of 40,563 accidents were reported, reflecting an approximate increase of 8 percent. Injury increases also increased from 7,381 to 7,619, reflecting a 3 percent increase. Although the loss of life is tragic, a preliminary report indicates that a total of 180 lives were lost on Manitoba highways during 1977 which compares with 213 deaths in 1976. I am pleased to advise that this represents a decrease of some 15 percent over the previous year.

I would pause for a moment to remind members that when you consider that we have had a 4 percent growth in licensed drivers, a 6 percent growth in licensed vehicles, coupled with a 15 percent decrease in fatalities on Manitoba highways, that has some measure in terms of the effectiveness of the law enforcement in this province, of the driver safety programs in this province, and in the manner and way in which the Motor Vehicle Branch is trying to bring about greater safety on our highways.

It may also account, Mr. Chairman, as some reason why the Minister isn't particularly pressing forward with compulsory seatbelt legislation at this time.

In all, over the last three years, there has been a reduction of approximately 20 percent in the number of lives lost, giving Manitoba one of the best records in the country.

Convictions under the Highways Traffic Act dropped from 88,800 to 88,600, representing a negligible decrease. It is interesting to note that 66 percent of the convictions registered under the Highway Traffic Act were for speeding offences. I have some hesitation as to wonder what those increases will be like next year after the introduction of the metric system and the encompassing speed reductions. It is my hope that they will not increase.

During 1977 preliminary figures reveal a total of 8,924 convictions under the Criminal Code relating to the operations of a motor vehicle. Of these, 7,229 related to drinking and driving — an increase of 15 percent over the previous year.

The number of suspended drivers dropped from 26,500 to 25,700 in 1977 — a decrease of 3 percent. The four leading reasons for the suspensions imposed were as follows: alcohol-related offences tops the list, failure to pay fines, cancellation of probationary licences, and multiple convictions and/or accidents.

The Motor Vehicle Branch conducted a total of 3,500 show cause hearings and written submissions during 1977. The total of 5,662 driver improvement road tests were conducted under the Driver Improvement Program, the failure rate being approximately 10 percent.

In addition to the road test, 13,400 counselling interviews were conducted with approximately 2,000 drivers being referred for a defensive or performance driving course. These persons came to the attention of the Motor Vehicle Branch and were acted upon due to the fact that either they had become involved in too many traffic violations or accidents, or both.

Driving testing administered some 47,090 road tests during 1977, excluding the driver improvement tests aforementioned. The failure rate on an overall basis of first attempts was 33 percent. Class 3 reflected a 6 percent failure rate, as opposed to Class 1 and 2 which revealed a 9 percent failure rate.

A total of 112,131 written tests for the various classes of licences were completed. The failure rate ranged from 41 percent in the higher classes — reflecting that drivers in these categories require more skill and knowledge — to an overall average of 25 percent for all drivers.

The Physical Standards Section, whose function is to process medical information on drivers to ensure that they meet the minimum medical standards, processed some 21,029 medical reports during 1977. As noted, this section was extremely busy due to the fact that some 12,900 cases of license medical recalls were processed in order that the first phase of the class license conversion for Class I to IV inclusive be completed. The remainder of the 21,029 transactions consisted of dealings in the areas of medical suspensions, register recalls, interview letters, and renewal applications.

The dealer section issued some 611 permits in 1977, an increase of approximately 5 percent from 1976. A total of 1,422 permits were handled by the section including 770 salesman permits and 38 wrecker permits.

The Motor Vehicle Branch Inspection Program was in operation from April to November, 1977 a total of some 33,500 vehicles were inspected. The inspection lanes again demonstrated that a substantial amount of vehicles on the highways are defective to varying degrees. Upon first inspection 34 percent succeeded in passing the inspection; 62 percent failed and 4 percent were found to be in hazardous condition resulting in immediate cancellation of registration. Of the heavy-duty vehicles inspected 61 percent failed on first inspection, a decrease of 8 percent over the previous year. However, upon initial inspection 6 percent had serious defects.

The Snowmobile Safety Program did not expand during 1977. Presently there are some 305 instructors throughout the province. During the 1977 season some 1,490 snowmobile operators took the course which brings the total to 7,000 persons successfully completing the course. Accidents involving snowmobiles during 1976-77 decreased from 95 to 84 or approximately 12 percent. Injuries also decreased from 83 to 65, which is approximately 19 percent. There were, unfortunately, six fatalities during the 1976-77 season as opposed to seven during the year 1975-76, reflecting an

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approximate decrease of 14 percent. The decrease in statistics reveals the dedication and hard work which has been put forth by the Motor Vehicle Branch in this field.

Promotion of the Bicycle Safety Program continued during 1977 to include radio, newspapers, school and yearbooks, distribution of bicycle handbooks and safety posters to elementary schools and enforcement agencies. The back-to-school safety display during the latter part of August was also included. In co-operation with a number of schools and recreation departments during May through August the branch provided instruction to children through the program. In 1977, approximately 32,000 children participated in the program which is based on defensive driving aspects.

The province's Driver Education Program is in its twelfth season of operation. During 1976-77 a total of some 5,700 students successfully completed the course. A total of 235 instructors are conducting courses in 43 Winnipeg high schools and 72 rural high schools for a total of 115 schools where the course is available.

Mr. Chairman, this concludes the Motor Vehicle Branch section and with that I certainly would want to commend the assistance and the capable direction that the Deputy Minister and Registrar of Motor Vehicles, Mr. Peter Dygala, has given to this department over the past year. And of course I would also add to that the capable direction that the Deputy Minister of Highways has given to that department, Mr. Joseph Brako.

I commend these Estimates for the consideration of the Committee.

MR. CHAIRMAN: Thank you, Mr. Minister. It is customary now to leave the Item 1.(a) the Minister's Compensation to the last item for debate and I would direct the committee now to move to Item 1.(b) Administration (1) Salaries \$670,000.00. I will recognize Mr. Cherniack.

MR. CHERNIACK: Thank you, Mr. Chairman. I would ask the Honourable Minister if he could indicate to us what the expected expenditure of his department will be in this fiscal year?

MR. ENNS: If my executive assistant were on the ball he would see to it that I would have these things in order, but . . . he obviously . . .

MR. CHERNIACK: Maybe he wasn't here at 4:30 to find out what the question would be.

MR. ENNS: The expected expenditures, both current and capital, for the year 1978-79 are of the order of \$160,545,400.00.

MR. CHERNIACK: How much additional does the Minister expect to commit but not spend in that year?

MR. ENNS: I don't hear the question, Mr. Chairman.

MR. CHAIRMAN: Will the Member for St. Johns repeat the question?

MR. CHERNIACK: Yes. I asked what the expected expenditure would be. That would mean, to me, the cash disbursement. I assume that in addition to that the Minister will have committed certain moneys that would be paid in the following fiscal year.

MR. ENNS: Some \$45 million.

MR. CHERNIACK: In addition to the \$160,000,000?

MR. ENNS: Yes.

MR. CHERNIACK: May I then ask how much was spent, approximately, in the previous fiscal year?

MR. ENNS: The total provision was in the order of \$149,510,885.00.

MR. CHERNIACK: The term used was the total provision; was that spent?

MR. ENNS: The gross expenditure in the year 1977-78 was \$146,967,900.00.

MR. CHERNIACK: That's the gross expenditure.

MR. ENNS: That's correct.

MR. CHERNIACK: How much was committed in addition to that?

MR. ENNS: \$40 million.

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MR. CHERNIACK: In addition. So \$186,900,000 was spent and committed in the previous fiscal year?

MR. CHAIRMAN: The Minister of Highways.

MR. ENNS: That's right.

MR. CHERNIACK: And there's \$205 million expected in this year to be spent and committed?

MR. ENNS: No, Mr. Chairman, that's not quite right. In the strict vernacular of the problems of running the Department of Highways, we have to commit considerably in excess to what we know from experience we can actually spend. If I do not overcommit, I have a construction program of some \$75 million this year — experience, not my experience but the experience of my staff has indicated to me as indicated to the previous Minister, that to come close to spending that \$75 million, he has to commit some \$120 million or \$110 million.

MR. CHERNIACK: Would the Minister care to elaborate on what he means by "commit." To let contracts?

MR. ENNS: To the Honourable Member for St. Johns, to attempt to put together a \$75 million construction program, with the vagaries of weather and the shortness of season, and with the availability of contractors, you have to commit — to try to spend \$75 million you have to commit \$126 million.

MR. CHERNIACK: Mr. Chairman, the Minister said it before and he repeated himself. Now you have to commit. Does that mean let out contracts?

MR. ENNS: That's part of it.

MR. CHERNIACK: . . . of whatever figure that was?

MR. ENNS: In many cases.

MR. CHERNIACK: Well, what is a commitment if there is no money spent and no contracts let?

MR. ENNS: Mr. Chairman, I can short-circuit this conversation by saying that my legislative authority stops at \$75 million and at \$75 million the Department of Highways stops. And we run into a carry-over program as has been traditional over the years.

MR. CHERNIACK: Well, then, the spending authority, is in excess of \$75 million, if this vote passes.

MR. ENNS: No, not spending authority. I'm only asking for \$75 million. You asked me what I was committing.

MR. CHERNIACK: What is the Minister's total spending authority?

MR. ENNS: \$75 million for new construction, and not a cent more.

MR. CHERNIACK: Well, Mr. Chairman, does the Minister then waive any authority from previous capital, authority unexpended or uncommitted?

MR. ENNS: We have no previous capital authority unexpended from previous authority. It is all used up.

MR. CHERNIACK: When the Minister says that, he says, "We." He means the Department of Highways?

MR. ENNS: The Department of Highways.

MR. CHERNIACK: But there is unexpended authority in General Purposes of which Highways is part and there is an excess of that, is there not? some \$28 million was allocated to a Capital Supply Bill of which only \$15 million was spent; 1975-76, again, an additional supply of \$7 million was voted in the Capital Supply Bill, retaining that \$15 million authority; in 1976-77, some \$4 million was revoked, retaining the Capital Authority to \$15 million; 1977-78, the \$15 million was spent.

MR. ENNS: That's a question you have to direct to the Minister of Finance.

MR. CHERNIACK: Let me direct a question to the Minister of Highways, Mr. Chairman. Where does the Minister of Highways believe that he has an authority now under Highways when he says this capital authority.

MR. ENNS: I am hoping that this Committee will pass the \$75 million that I am asking them to pass and if they pass it, then I have the authority to spend \$75 million of new construction program.

MR. CHERNIACK: In last year, the Minister said that he had committed . and spent — not he — but there had been committed and spent some \$186,900,000.00. How much of that was under the construction item?

MR. ENNS: I am advised, Mr. Chairman, that we are talking now about all Current money.

MR. CHERNIACK: I don't know what you're talking about — I'm talking about money, Mr. Chairman. The government has, in its wisdom, combined the two. So I'm asking how much was spent and committed last year? Well, the answer was \$186,900,000.00 So I'm asking how much of that was the Construction Program?

MR. ENNS: Some \$63 million.

MR. CHERNIACK: Well, then, since it shows an authority — I don't see it for Current — there's authority of \$41,495,000, then how is it that the Minister reports some \$60-odd million having been spent?

MR. ENNS: Mr. Chairman, it is an accumulation of Capital Supply Bill dating back to a number of years. For instance, in 1974-75, some \$28 million was allocated to a Capital Supply Bill of which only \$15 million was spent; 1975-76, again, an additional supply of \$7 million was voted in the Capital Supply Bill, retaining that \$15 million authority; in 1976-77, some \$4 million was revoted, retaining the Capital Authority to \$15 million; 1977-78, the \$15 million was spent.

MR. CHERNIACK: Mr. Chairman, I tried to slow up the Minister because I couldn't follow his speedy reading, so I must ask him to repeat it. How much was authorized in 1974?

MR. ENNS: The short answer, to the Honourable Member for St. Johns, is that some \$15 million of previous Capital Supply was spent in addition to some \$11 million or \$12,088,000 of the Federal Government's Highway Strengthening contribution, making up a total of \$29 million which is the missing \$29 million that troubles the Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, he can shorten it as much as he likes but I still don't understand him. He will have to spell it out. And I'm not troubled by \$29 million — he is.

MR. ENNS: Mr. Chairman, I have just spelled it out.

MR. CHERNIACK: Well, all right, let's get back to 1974. I'm looking at the 1974 Capital Appropriation. I don't see any amount set aside for Highways, so I assume some part of General Purposes was used for Highways. Is that correct?

MR. ENNS: Mr. Chairman, the Member for St. Johns knows full well that I was far removed from the seats from government at that time. I would assume that his government at that time set aside certain Capital amounts for expenditures of Highways.

MR. CHERNIACK: Mr. Chairman, the Minister cannot avoid the fact that he is the Minister and is responsible to know not only what is going on today but what went on before, so that he is able to carry forward a program. Now, his department should be more knowledgeable than any former Minister as to how much was taken out of Capital of the 1974 appropriation.

MR. ENNS: Mr. Chairman, for the benefit of the Member for St. Johns, I will repeat, then, more slowly, that in the year 1974-75, out of a Capital Bill Supply of some \$28,779,000, \$15 million remained in that year.

MR. CHERNIACK: Well, Mr. Chairman . . .

MR. ENNS: No, if the member will just allow me — \$15 million remained.

MR. CHERNIACK: For Highways?

MR. ENNS: For Highways, dedicated to Highways.

MR. CHERNIACK: Do you have that before . . .

MR. ENNS: And in the year 1975-76, an additional — your government voted an additional \$7,311,000 into that Capital Supply Bill, bringing back the Capital Supply Bill, retaining it at \$15 million. And in the year 1976-77, you again voted \$4,300,000 into that Capital Supply Bill for Highways to retain that base figure of \$15 million in Capital Supply. Now, in the year 1977-78, that \$15 million was drawn down totally — and that says something about the budgeting practices of the previous administration — and with the aid of the Federal Government's contribution of some \$12

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million, makes up the \$29 million missing dollars that you fellows have been trying to look for in Highways.

Now, Mr. Chairman, I have explained that. I can do this three times around if you want to but if the Honourable Member for St. Johns has difficulty as a former Finance from grasping this arithmetic, then I would ask him to reassociate himself with some of his members in the Department of Finance. But I don't intend to repeat this question over and over again.

MR. CHERNIACK: Mr. Chairman, I must say to the Honourable Minister that I have not dared to talk to any one person who works for Finance lest he be fired. So I want to tell the Honourable Minister that I would not endanger their jobs by talking to them about former . . . Now, if he is inviting me to go to that office . . .

MR. ENNS: Mr. Chairman, let me make this very clear . . .

MR. CHERNIACK: Please, Mr. Chairman, I have the floor.

MR. ENNS: . . . I invite the member . . .

MR. CHAIRMAN: The Member for St. Johns.

MR. CHERNIACK: If the Minister is going to authorize me to start dealing with members of the Department of Finance, he better make sure he does so with the authority of the Minister of Finance. I would be very happy to try to get information. But failing that, and today being the day when they are not available to me, I want to find out a little more, Mr. Chairman. It is not enough for the Minister to read from his statement there without having to back it up.

I happen to have in front of me a copy of the 1974 Capital appropriation. There is nothing there voted for Highways. I have 1975; there is nothing there voted for Highways. I have 1976; there is nothing there voted for Highways. I have 1977 where there's General Purposes of \$82 million of which \$20 million is indicated for Highways but not voted because the Minister by now would know the General Purposes is flexible until it is allocated. So, he said that my government, "your government" was his words, had voted this \$15 million unexpended in that year. I don't see it was voted at all and the honourable member was in the House at that time and he voted for or against something and does he know whether any portion of that was Highways.

MR. ENNS: Mr. Chairman, firstly to the Honourable Member for St. Johns, I want to assure him that he or the Member for St. George, or the Member for Ste. Rose du Lac, even the Member for Winnipeg Centre, as the Member for Wellington or St. Vital can speak to any members of my department without jeopardizing their jobs at any time. Our department is always prepared to speak to all MLAs, members of the Legislature. So let's put that little story to rest.

Now secondly, I know I am speaking to the former Minister of Finance and I know that even his government when they were voting a Capital Supply for General Purposes, had some consideration for the Department of Highways, and it was his government that allocated these sums that I just listed as being allocated to Highways under General Purpose Capital Supply Bill. Now the fact that it is not clearly or indicatively indicated in the information that the Honourable Member for St. Johns has, doesn't change the facts. The fact of the matter is that the Department of Highways was notified by the Department of Finance that these capital sums were available to them.

MR. CHERNIACK: Mr. Chairman, in the first place I wish the Member for Wolseley were here so he could find out that at least in the Department of Highways he would have access to servants of the department because he sure got into trouble when he started to ask questions of the Department of Finance. But he is not here so it is not for me to worry about him.

Mr. Chairman, I have before me, a statement written out by the Provincial Auditor as at March 31, 1977 showing unexpended and unraised capital authority in the years 1974, 75, and 76 which total some \$27 million. Now that is for General Purposes, it is not for Highways because it was not appropriated to Highways. I therefore want to know just what happened in this last year, Mr. Chairman, where according to the Minister there was an expenditure of all the authority available to the Department of Highways. When was this done? When was it undertaken?

MR. ENNS: Mr. Chairman, I am advised that there was some \$2,000,433 allocated in capital expenditure to the City of Winnipeg which was not spent and which is being indeed recognized in this year's budget by increasing the budget to the \$15 million mentioned in my opening statement.

MR. CHERNIACK: When was it committed?

MR. ENNS: Last year's City of Winnipeg requests for major improvements within the City of Winnipeg, certain capital allotments. We worked that integrally into the Department of Highways budget. The drawdown on that was some \$2,000,433 less than anticipated.

MR. CHERNIACK: What side of this page are we talking about?

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MR. ENNS: That is not part of this page at all, it is part of the . . . it is the difference between the \$27 million and the \$29 million that you made reference to.

MR. CHERNIACK: I don't want to mislead the Minister . . . \$29 million, he should know, I don't. I just know the total of \$27 million from unexpended authority but I am not saying that it is Highway money. It may have been money for the Department of Agriculture, we haven't got the answer there yet. But the Minister now says that there is no unexpended, unauthorized, capital authority available for highways.

Although the figure on the left hand side of the page for last year shows some \$41.5 million for construction, we know that that is part of some \$25 million figure that is shown in the reconciliation statement. Was all of that \$25 million spent?

MR. ENNS: Yes it was all spent, to the honourable Member for St. Johns.

MR. CHERNIACK: And in addition to that the Honourable Minister says that more was spent. Can he indicate how much was spent on Highways?

MR. ENNS: In total some \$65 million was spent.

MR. CHERNIACK: I am just doing some addition. That would mean that there is \$24 million more spent last year than is shown in the Minister's statement on the left hand page.

MR. ENNS: That is correct.

MR. CHERNIACK: How would this compare with that item in Agriculture that the Minister was listening to this afternoon where there was an amount shown on the left hand side which was not fully expended.

MR. ENNS: Well, I think if the Honourable Member for St. Johns will recall the conversation that I had with him during the debates of the Department of Agriculture, right about now you are preparing to reverse your position. We are not showing moneys that is not being expended, in fact we are explaining moneys that had been spent in addition to those that are being shown.

MR. CHERNIACK: Well then it is the Honourable Minister and his colleague who are not showing the same kind of reporting in the Estimates. I am not reversing any positions, I am still trying to find out.

MR. ENNS: Mr. Chairman, I have attempted to indicate to the Honourable Member for St. Johns that there is undoubtedly some difficulties in adjusting to the new system of showing Estimates and I say this to him candidly and not in a belligerent manner, that we are now considering the Estimates of Highways and not the Estimates of the Department of Agriculture, and if my colleague, the Minister of Agriculture was not able to satisfy the Honourable Member for St. Johns, as he obviously wasn't earlier on in the afternoon to explain the manner and way in which his reconciliation with figures and printed Estimates, you know, appear, then I think quite frankly that the Committee took the appropriate action by adjourning the Committee and awaiting that information to come forward. But I have attempted to indicate to the Committee in as straightforward a manner as I can, the amount of money actually spent, where the money came from, dating back to 1974, 75, 76, and the amount of money that we are asking for Committee's approval to spend this year.

MR. CHERNIACK: Does the Minister then, at this stage, reject the information given by the Government Information Services that indicate an increase of one-third in highway programs over last year.

MR. ENNS: Mr. Chairman, Government Information Services doesn't build highways and doesn't pay for highways. Whether or not they got the information straight, I am not the Minister particularly responsible to answer that question. I believe honestly that had the Government Information Services contacted members of my department in terms of the actual increase, the actual money spent last year as compared to this year, they would have come to the same conclusion that I reiterated and spoke to in the House when the Honourable Member for St. Johns asked me the questions, that in fact, this year, the Department of Highways has a relatively modest increase of some 7.3 percent over last year's in our total new construction program. Roughly from \$67 million or \$68 million, if you consider the \$2 million that we feel owing to the City of Winnipeg that we are picking up this year, to the \$75 million program this year. I think if the Honourable Member for St. Johns would now like to accord me at least that privilege, that I was being truthful in the House when I answered his questions.

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MR. CHERNIACK: Mr. Chairman, that appears to be so, we have yet to get more information on it.

MR. ENNS: Well, Mr. Chairman, from the slippery Member for St. Johns I would expect only that kind of grudging acknowledgement that I could appear to be truthful.

MR. CHERNIACK: Mr. Chairman, the honourable member will recall that he has had occasion to back away from statements he has made in the past and do it in a sort of gay abandon so he has to accord me the privilege in saying that his statements are subject to verification.

MR. ENNS: Okay, that's fine, then let's just call it that we are even now eh? I was wrong with the age of your best man at your wedding and you are wrong with your Highway Estimates.

MR. CHERNIACK: Well, we'll see.

MR. ENNS: Now, we can start from even.

MR. CHERNIACK: Mr. Chairman, the \$2 million or so going to the city is that recorded in the Estimates that are being requested?

MR. CHAIRMAN: The Minister of Highways.

MR. ENNS: It's in the total.

MR. CHERNIACK: Well, then I assume it is in the \$15 million under Acquisition, is that correct?

MR. ENNS: I am informed that we are going to pay it out for last year.

MR. CHERNIACK: Oh, so it is not in the Estimates?

MR. ENNS: I am told that in last year's Estimates we had an actual authorization of \$10 million to the city and paid them \$12 million. And this is \$2 million that picks up those missing \$2 million that were authorized last year.

MR. CHERNIACK: Well, just to keep our allocation correct, does the Minister really mean authorized last year or does he mean authorized in previous loan acts?

MR. ENNS: This is part of the Capital Supply Bill that I referred to in the past that has been ongoing. The city tends to treat it as capital authority and draw on it as they need. Some years their construction programs, because of the nature of the programs, they ask for and they receive from the province as they received last year, they received authorization for \$10 million but in effect drew down \$12 million. This year they asked for \$11 million or \$12 million but we recognized the nature of their programs — completion of such major facilities like the St. Vital Bridge, hopefully the start of the McGregor Street Overpass — and we have allowed and estimated in our budget for \$15 million. But then within \$1 million or \$2 million it is difficult again because of the vagaries of the construction business to pinpoint it to the precise amount.

MR. CHERNIACK: Mr. Chairman, in view of the fact that the Minister says that he has used up all the authority available from previous years, where will he get the authority to commit \$45 million more than he is asking for in the Estimates?

MR. ENNS: Mr. Chairman, from the goodwill and support of my caucus and the Members of the House. How do you like that?

MR. CHERNIACK: Mr. Chairman, I like that sound, but as I understand it the provincial auditor would look somewhat askance at a commitment made without any authority.

MR. ENNS: And that is why I said earlier when I reach \$75 million I have to stop.

MR. CHERNIACK: Mr. Chairman, the honourable member said that he is going to spend in this year \$160 million, the amount shown here, \$160,545,400, and then he said that he is going to commit another \$45 million. And I am asking him on what authority will he make a commitment for the following year?

MR. ENNS: Mr. Chairman, all the Honourable Member for St. Johns is demonstrating is that he is a lawyer and not a contractor, and that he doesn't understand rural Manitoba or the kind of weather we work under. You do it with guts, Mr. Chairman and that is all it is because you recognize that to get that \$75 million spent you have to over commit. That is nothing new by the way, Mr. Chairman, that happened in D.L. Campbell's years, that happened in Duff Roblin's years, that happened in all of Ed Schreyer's years and it is going to happen under this Minister's years, because I will want to spend and provide those roads and those facilities for the Honourable Member for St. George, for the

Honourable Member for Ste. Rose, for the Honourable Member for Emerson, for the Honourable Member for Swan River to try to get — the Honourable Member for La Verendrye — I want to try to build. . . If I get authorization to spend \$75 million for new highways in this province I want to make damn sure that I spend them and to do that I can't afford the opportunity of all of a sudden running into a bottleneck because a landowner refuses rights to his land or because of a rainy season the contractor can't finish a contract, or because of a breakdown, or because of a contractor going bankrupt and that disrupts it. All these things add into the fact and people a lot smarter than me, Mr. Chairman, and lots smarter than the Member for St. Johns, people that make their business and are professionals in the business of construction have told me — as they have told the former Minister of Highways, the Honourable Minister Burtniak, as they told the Honourable Minister Borowski, as they told the Honourable Minister Weir and others — that in order for the Department of Highways to spend X number of dollars you have to commit and you have to go out and overexceed that amount that you actually have authority for.

But, I will assure the honourable member that I will be within the restraints and restrictions that the provincial auditor places on me, and my Deputy Minister will see to it that I am, that we will be spending no more than the allocated amount of moneys than I am asking this committee to approve.

MR. CHERNIACK: Mr. Chairman, I know the Honourable Minister and I don't recall seeing him during Public Accounts committee meetings here, I guess he is not a member, but you are Mr. Chairman. I don't have the Provincial Auditor's Report here but as I recall it he was extremely critical and it seems to me that the Conservative Members were very pleased to note how critical he was about commitments without authority and yet it seems to me that the Minister of Highways is prepared to go against the provincial auditor's comments and to go ahead and commit the government to some \$45 million of expenditure beyond the authority, and I marvel at his doing that with a concurrence of his caucus as he said, when he should know that a number of members of his caucus have participated in debates with the provincial auditor and where they noted carefully the provincial auditor's, rather I believe severe criticism of that kind of a practice.

MR. ENNS: Mr. Chairman, I really believe that we have exhausted this subject. I can only remind the Honourable Member for St. Johns that in the last year of the previous administration the previous Minister of Highways committed some \$101 million of construction based on \$65 million of construction, actual authorization.

I can also remind the Honourable Member for St. Johns that Highways isn't unique in this way. I am fully aware of the fact that (a) that Ministers or departments do not commit money for expenditure without due and proper authorization from the Legislature, but Highways happens to be unique. We have for instance, since some time ago, had the authority to commit by pre-advertising, by pre-ternd pre-tendering — simply because we recognize again the nature of our short construction year — we have had the authorization indeed this year, as was the case under your administration other years, where we have actually let out contracts, pre-tendered upwards, and this year it was an amount of \$18 million. We let out contracts for \$18 million of highways works for which the Department of Highways had no authority. Because, after all, I have no authority until the Legislature approves the money.

Now, under the advice of the Auditor-General, we have had to put a clause in that says "subject to the approval of the Legislature" if we let this contract out. And I suppose a good lawyer would say, "Well, that's not an iron-clad contract," and would not accept it. But the practice has been, over the years, recognizing how we conduct the highway construction program in Manitoba, that that has been acceptable. And on that basis, we operate.

MR. CHERNIACK: All right, Mr. Chairman, then in the first place, as I recall it, there was always capital authority available under general purposes to back up commitments made for future years. But I do understand there was the practice that developed where the department would say to a contractor, "We are prepared to give you a contract subject to our getting approval and you will gamble." And clearly, the Provincial Auditor was opposed to that practice.

Do I understand that the Minister, and therefore his government, are going to go ahead with this type of contract — which the Provincial Auditor criticized — and which, I believe, was used?

MR. ENNS: Mr. Chairman, the Member for St. Johns is not correct. The Provincial Auditor said, "You shall not let out these contracts prior to the approval of any moneys the Department of Highways has." He said, "Only on the basis that you put that clause in." Really, in effect, an escape clause and on that basis the Provincial Auditor does not object. And we are proceeding with the practice that was not initiated by the previous administration, or even the previous previous administration, but one of several decades standing.

MR. CHERNIACK: Mr. Chairman, I want to invite the Honourable Minister to read the Provincial Auditor's Report. I think that he will find that the Provincial Auditor says once the lawyers say that it is okay then I can't quarrel with the legality of it. But as I recall it, Mr. Chairman, he clearly quarrels with the practice. And I think that there were gleeful members of the Conservative Party who pointed at that criticism by the Provincial Auditor.

So, I just want to confirm that this Minister is going to continue that practice set by D.L. Campbell or maybe his predecessors in spite of the fact that I believe that the Provincial Auditor frowned on it, and I invite the Minister to read the Provincial Auditor's comments about the practice that he intends

to continue.

MR. ENNS: Well, Mr. Chairman, one of the reasons why I will be forever grateful to my leader is that I have been given the opportunity to associate with engineers and not with lawyers.

MR. CHERNIACK: And auditors.

MR. ENNS: And auditors.

MR. CHAIRMAN: I'll recognize now, the Member for St. Vital.

MR. JIM WALDING: Thank you, Mr. Chairman. I have been listening to the last exchange with some puzzlement and I would like to ask the Minister — referring to Page 44, the Reconciliation Statement at the bottom, where it shows that the 1977-78 Main Estimates started off with \$93 million, and by the addition of various lines came to \$119 million, which is given at the top of that page. Yet the Minister has said that there have been other amounts spent over the year. I wonder if he could try again to explain it to me so that I can understand it.

MR. ENNS: Well, Mr. Chairman, with the greatest respect to the Honourable Member for St. Vital, I really believe that we have covered this ground and there are some rules about repetition in the conduct of our committees. But, in brief, what is missing from the \$119 million to the actual moneys spent is the \$29 million I refer to — \$27 million that was spent in prior authorized capital plus a \$2 million pick-up that was overspent by the City of Winnipeg the last year. That makes up the \$29 million, which brings the total up to actual moneys — total provisions for the year 1977-78 — to \$149,510,885 as compared to the \$160,000,000 that I am now requesting in this year's Estimates, for a total increase of \$11,034,515, or an overall percentage increase of 7.3 percent. —(Interjection)— Pardon me, but that \$29 million is made up of a \$12 million contribution by the Federal Government under the Highway Strengthening Program, \$15 million carryover capital and \$2 million from the city.

MR. WALDING: I thank the Honourable Minister, Mr. Chairman. Can I just ask him, at the top of Page 44 there is a list there: No. 8. Acquisition/Construction of Physical Assets \$13.5 million. Follow me so far? How does that reconcile with the amount at the bottom of the page under the Reconciliation Statement of \$20 million plus \$4 million, and the additional \$49 million that the Minister has mentioned?

MR. ENNS: Mr. Chairman, the honourable member persists on asking the same question. It is reconciled with the \$15 million of unexplained capital authority. It is reconciled, in addition to that, with a \$12 million of federal contribution and the \$2 million already referred to that we are short from the city expenditures, for the total of \$29 million.

MR. WALDING: Let me try another question, Mr. Chairman. Did the Minister of Highways receive the documents from the Minister of Finance that he sent around referring to zero-based budgeting?

MR. ENNS: Well, my Deputy Minister may have received it; I can't recall that particular document.

MR. WALDING: The Minister doesn't recall reading it or reflecting upon it. Does the Minister intend to prepare next year's Estimates along the principles embodied in zero-based budgeting?

MR. ENNS: Well, Mr. Chairman, I am not totally aware of, precisely, the answer that the Honourable Member for St. Vital is searching for. But to answer the question seriously, I do believe that for all of us — for all members of the committee — that certainly whenever a change occurs and, you know, I am the first one to admit and have admitted it in the House, and I do so here in front of this committee, that when there is a fundamental change in how figures of government expenditures are being presented that it does cause legitimate areas of confusion in terms of easy comparison, and that I would be quite prepared indeed to accept the admonition given by the Member for St. Johns to the Minister of Agriculture this afternoon that next year certainly we will start from zero-based budgeting and in fact I am inclined to agree with the Honourable Member for St. Johns that past-voted authority tends to muddy the waters. Indeed, if you want to go this basis, and I'm not speaking as the Minister of Finance and I'm not a finance person, but it certainly would make it a lot easier for every member of this Committee to understand the Estimates if the Minister responsible came in and said, "I'm asking for \$200 million. Here's how I intend to raise it without delving into past-voted authorities, past capital authorities, past loan funds, past this . . ." You know, I tend to agree with the Honourable Member for St. Vital that certainly I think that having embarked on this course it would be my hope that the Minister of Finance will pursue it and that next year the exercise of comparison as to what has taken place in the various appropriations in the departments will be simplified for all members of the Committee on both sides of the House, I may add.

MR. WALDING: Mr. Chairman, I thank the Minister for his answer and I would like to ask him a

different question on a slightly different topic now and tell him that it is a question that I have asked of three other Ministers when they produced their Estimate. It arises from remarks that the Minister of Finance made when he was introducing, I believe it was the Interim Supply Bill, about certain preliminary Estimates that had been produced by the previous government and that, had they been adopted they would have produced a deficit of an additional \$200 million or \$300 million or something like that, which caused us — or me anyway — to wonder where this figure came from and to try to find some justification for it.

So the question is, Mr. Chairman, could the Minister inform the Committee what was the total of those preliminary Estimates when they were first submitted to him by his department?

MR. ENNS: Mr. Speaker, in the question of Highways the total preliminary Estimates for the Department of Highways was one of essentially maintaining the status quo, one of hopefully recovering additional costs that some members fail to realize that in Highways the principal component is asphalt which is a petroleum-based product and has suffered the same kind of increases that all of us have suffered when we fill up our tank with gasoline. We have tried and attempted to accommodate the rises, inflationary pressures and otherwise that the departments, both Highways and Motor Vehicle Branch, have had to cope with and I would have to say very candidly that in the Department of Highways — and I say it with some pride — they have never, (a) artificially inflated their requests for next year's Estimates, that in Highways, the actual dollars requested for and the preliminary Estimates prepared for, not my Ministry but under the guidance of the previous administrations, were along those same lines, were essentially prepared on the basis for maintaining a similar Highways Program with acknowledged cost increases that both the Motor Vehicles Branch and Highways could normally expect to absorb.

So that the direct answer to your question is that there were no highly inflated figures proposed to me in the preliminary Estimates in the Department of Highways.

MR. WALDING: Mr. Chairman, can the Minister tell me then whether those sort of hold-the-line figures plus an inflationary element were based on the 149.5 figure or on the 119.9 figure?

MR. ENNS: Based on the 149 figure because those were the actual moneys expended in 1977-78.

MR. WALDING: Mr. Chairman, could the Minister be any more precise as to the actual dollar figure?

MR. ENNS: Well, I can be precise to this amount, for instance, in the major operation of Highways which is maintenance — that's what keeps our PR roads in reasonable shape or hopefully will, in the clearing of snow and what have you — the maintenance budget has increased from some \$80 million, I believe, to some \$85 million. The Construction Program has increased from \$68 million to \$75 million. This puts together the roughly \$11 million to \$12 million increase in the Department of Highways.

MR. WALDING: Mr. Chairman, one more question. If then the Estimates for this year were based on last year's figure of around \$150 million, a 10 percent increase would bring it to \$165 million. Would this be of the order of magnitude that those first preliminary Estimates came in to the Minister?

MR. ENNS: No, I can assure the honourable members that that was not the case. The Department of Highways was used to being hit on the head by the previous administration and they didn't expect an extra \$8 million or \$9 million from the administration.

MR. WALDING: Mr. Chairman, I ask the Minister again if he could be any more accurate. We have got a figure now of somewhere between \$150 million and \$165 million. Can he narrow it down any closer for me?

MR. ENNS: Well, again, in 1978-79, the requested figure was for some \$160 million.

MR. WALDING: I thank the Honourable Minister. Can he tell me whether he cut that down at all or whether he added to it before he took it to Cabinet?

MR. ENNS: No, I added to it to come to this figure. The original request was for some \$149 million plus the costs that the department felt were basic to the maintenance of the status quo of the current level, which probably would have come in at somewhere in the neighbourhood of \$153 million or \$154 million. What in effect we did was add an additional \$7 million or \$8 million overall to the New Construction Program.

MR. WALDING: Thank you, Mr. Chairman. Those were the figures that I was trying to get at, that when the Minister first saw the preliminary Estimates then it was at \$154 million and that the Minister added a further approximately \$6 million to the figure. Would that be correct?

MR. ENNS: That would be about correct. You are shaving me by a couple million, but in view of the fact that your party has been tremendously concerned about the excess money Highways is

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spending I'm prepared to drop a couple of million dollars in this debate.

MR. WALDING: Thank you, Mr. Chairman. If the Minister wants to be any more accurate, to take up that \$2 million, I will be pleased to hear from him the actual figure. But can I then assume from him that since he added to that figure to bring it to \$160 million, that then Cabinet approved the \$160 million that he recommended to Cabinet?

MR. ENNS: No, Mr. Chairman, that is not correct. I recommended a higher figure to Cabinet; I was not successful.

MR. WALDING: Mr. Chairman, if I can try once more. I'm just trying to get two figures from the Minister and I have been successful with other ministers.

MR. CHAIRMAN: If I might suggest to the member, if he would spell out just what he is after then we all might know because he has got me lost also. I'm not really too sure what he is after. If you would lay the question out maybe the Minister could answer it. We've been 20 minutes trying to get this answer. Now, if you spell it out maybe he will give it to you. The Member for St. Vital.

MR. WALDING: Thank you, Mr. Chairman, I'll try again. I wanted to know the figure that was first presented to the Minister for the total of the first preliminary Estimates for his department. Now, the Minister has indicated that it has been in the order of \$154 million. I am then trying to find out what the Minister did to those Estimates, whether he cut them down or added to them and if so how much, and then what was the figure he took to Cabinet because we know the figure that came out of Cabinet so we can then see whether Cabinet cut them down or increased them and if so by how much.

MR. CHAIRMAN: Why didn't you say that half an hour ago? The Minister of Highways.

MR. ENNS: Mr. Chairman, I received the same instructions that all other Ministers received. That was to attempt to hold the request for expenditures in the department to that of the level of the previous administration. In other words, to meet the bottom line of the previous year. My Deputy can tell me in a moment or two what that particular figure was. We indicated to the powers to be that that would mean, in the case of Highways some diminution of service, certainly in terms of maintenance; it would mean certainly a lessening of the new construction program even from the previous year, simply because of cost increases and I am thankful that I was able to convince my colleagues otherwise, that in the matter of highways, that some modest increase was important to the people of Manitoba and that is reflected in this request. The amount totals in the neighbourhood of \$8 or \$9 million, if you want to combine increases in maintenance and new construction. The actual figure spent by the Department of Highways both maintenance and new construction was some \$149 million last year; this year we are asking for \$160 million for an increase of \$11 million.

They were preliminary figures and as the Minister of Highways, I didn't take those preliminary figures too seriously, so they don't register in my mind. I was after more money for highways in Manitoba.

MR. CHAIRMAN: The Member for St. Vital.

MR. WALDING: Thank you, Mr. Chairman, I am very glad to hear the Minister of Highways say that he didn't take those figures too seriously and I gather from other comments that other Ministers didn't take them too seriously either, but apparently the Minister of Finance did and using that as a basis he made the rather unsubstantiated statement in the House that he did and it is only because he did that we are asking these questions to get some background. The Minister might be aware that one of his colleagues provided us with these figures very openly and very promptly and that two of his colleagues were very bashful about producing these figures, in fact refused point blank to do so.

I take it then from what we have been given that the preliminary Estimates were in the region of a 154 and that the Minister increased them and that the Cabinet then chopped them back a little bit. Now, would that be an accurate statement Mr. Minister?

MR. ENNS: Mr. Chairman, and I say this kindly to the Honourable Member for St. Vital, but had he been a member of the Treasury Benches he would have undoubtedly experienced occasions where figures get chopped back to what he had hoped for his department. Every Minister fights for what he believes he is responsible for and has to meld that into what the consensus of the government of the day decides is an appropriate number. I can only indicate to you that I'm pleased that in Highways we have been able to indicate, subject to the approval of this committee and the Legislature, that we will be able to maintain a reasonable highways program both maintenance and new construction in the province of Manitoba.

MR. WALDING: Thank you, Mr. Chairman.

MR. CHAIRMAN: The Member for Roblin.

MR. MCKENZIE: Mr. Chairman, now that the Honourable Member for St. Vital wants to go into

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those kind of administration figures and background I would like to pursue the figures from Roblin constituency from those same days if you would permit me Mr. Minister. We are dealing with administration and if the Honourable Member for St. Vital and the opposition want to pursue those figures I have about a thousand questions that I would like to, with your permission, Mr. Chairman, deal — and I know you have your administration here Mr. Minister — to try and explain to me and the people of Roblin constituency why, first of all provincial trunk highway has never been surfaced. Now, the former Minister of Highways, you maybe don't know this Mr. Minister.

MR. ENNS: That could be.

MR. McKENZIE: But the administration knows — paved beautiful up to the border of my constituency then gravel. I am sure the administration are going to give me this, because I want to know why my people were discriminated against. The Member for St. Vital wants that — I want it for my people. Now, may I pursue the debate a little farther, Mr. Chairman. I recall the days that they opened Aseissippi Provincial Park — a great day, great day for all the people. Birds Hill Park, Spruce Woods Park and Birds Hill — great day for the people and great day for everybody, and of course these brochures came out in all these images of this great new government. The Honourable First Minister and the Honourable Highways Minister were supposed to open the park in Aseissippi that great day. They never showed unfortunately, thousands of people were there, the First Minister never showed nor did the Highways Minister. Now, I ask the administration of Highways, why didn't they show on that particular day because — (Interjection)— well, let's get it on the record why they didn't show. The tragedy was there had been no roads to the best of my knowledge built because if the First Minister doesn't show and the Highways Minister doesn't show, you may rest assured, Honourable Members there is not going to be many dollars spent for roads if you don't have those two important figures.

A MEMBER: So that's what happened at Pembina.

MR. McKENZIE: Now, let's go to the other roads in my constituency. You go from Gilbert Plains north — see Gilbert Plains happens to be in Dauphin constituency, and you drive north from Gilbert Plains and I happen to have the north end of the old Ethelbert Plains constituency. Mr. Chairman and the administration, you drive on pavement until you come to mine and then it's gravel.

Now, I would like the former members of the administration and the government to explain to me and my constituency why our people had to you know, drive over those terrible road conditions all those years and the Honourable Member for St. Vital is looking at even today — I'm looking for the last eight years — I am looking for figures back from 1969 to 1977. Now, Mr. Chairman, may I have those figures from the Minister and the administration of why my people were discriminated in a most terrible way over those years?

MR. ENNS: Mr. Chairman, I am certainly prepared, perhaps not tonight, but the department will take that request seriously and give you those figures. But I think it should also be put on record that, after all it is well and publicly documented that the former First Minister of this province regarded the Member for Roblin as being unfitting and not deserving of government support and that undoubtedly explains the reason why you drive on gravel and . . .

MR. McKENZIE: On a point of order.

MR. CHAIRMAN: Member for Roblin on a point of order.

MR. McKENZIE: May I read into the record what he said about me. That is the former Premier. He said, "McKenzie should be skated into Saskatchewan where he came from." So, I knew then that this government was not going to look after any road.

Now, I hope the administration will give me all the background material . . .

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

MR. CHAIRMAN: The Member for St. Vital on a point of order. I don't really think the Member for Roblin had a point of order, but . . .

MR. WALDING: I would like to know what it is that the Member for Roblin is quoting from when he is reading that.

A MEMBER: His own notes.

MR. McKENZIE: You can read the speech.

MR. CHAIRMAN: Would the Member for Roblin table his notes.

MR. MCKENZIE: It is public information .

MR. ENNS: Mr. Chairman, I think we should proceed page by page on the departmental Estimates of Highways.

MR. CHAIRMAN: I have to recognize the Member for Winnipeg Centre.

MR. BOYCE: Mr. Chairman, I was enjoying the Member for Roblin's usual contribution, but it's refreshing to hear that another Minister has put on the record that he too didn't take seriously the allegations that there were \$200 million, \$300 million or \$400 million, whatever figure you want to use. But in listening to the Minister's response to some of the questions, the deficit by their own figures in the Budget Debate was that the government was in a deficit position by \$225 millions by combining current and capital. Now, they have been forced to reduce that by \$50 million, so I take it from his figures that he has given us tonight, that that should be reduced by another \$31 million.

The Minister has said that he has used prior authorization, existing authority for \$15 million worth, \$12 million recoverable from the Federal Government and \$2 million which wasn't expended albeit authorized last year, for a total of \$31 million. You can't have your cake and eat it too, you can't tar us with the brush of having spent these \$31 million when it hasn't actually been expended. The Minister has said that he has no more capital authority. Well, I don't know how fast you committed the existing authority at the time that there was a change in government, but nevertheless I would ask the Minister if he could take it as notice and find out for us just exactly how much of this is committed capital. In other words, he says he has no uncommitted capital. He says he has no more money to spend, so I assume from what he has said that the rest of the money is in "committed," but that on which construction has not as yet started. And that should be a relatively easy figure to ascertain.

MR. ENNS: Mr. Chairman, I want to assure the Honourable Member for Winnipeg Centre that if I can both have my cake and eat it and ask for a cheeseburger on top I don't agree for a moment with his arithmetic. I have explained reasonably clearly I hope, where Highways is getting their monup from, what mon eys they spent the previous year, what mon eys we've spent this year. The Department of Finance is totally capable of explaining the method arrived at in terms of establishing the deficit position of this province and will do so when their Estimates are before this committee. The fact that the Department of Finance has already indicated to the House that there has been a somewhat more favourable position with the provincial deficit, has been tabled in the House, been made available to all members opposite. But my position of course is that you are not finding in this department's Estimates any dollar, not one, that can be attributed to adding or subtracting to the position of the deficit as announced by the Minister of Finance.

MR. CHAIRMAN: Member for Winnipeg Centre.

MR. BOYCE: The Minister said that he had used some \$15 million and I believe it was 1974-75, General Purposes, authorized capital — (Interjection)— I am sorry, of existing prior authorization that he . . .

MR. ENNS: I haven't shown it on the left hand side have I?

MR. BOYCE: You see, Mr. Chairman, this is a new way of accounting and the Minister speaks as if he knows what he is talking about and he can eat hamburgers and cheeseburgers on top of everything else, and perhaps he'd choke on it, but nevertheless the idea of putting into current that which should be capital, you know, it is just very strange to anybody that knows anything about accounting. When we find different departments doing different things for example as was alluded to already some \$2 million which hasn't been spent yet hasn't been committed is reported as if we had spent that money. So, this puts in doubt all of the figures that are presented to us.

I know the former Minister of Finance in asking the questions relative to the \$29 million which the Minister said was comprised of some \$15 million and \$12 million and then there was an additional \$2 million on top of that. So, it appears Mr. Chairman, that what the Minister is saying is that the \$225 million deficit, which is now down to \$181 million, should be down to \$149 million and I wonder after we get through all of the Estimates — we will probably find out we are in surplus.

MR. CHAIRMAN: The Minister of Highways.

MR. ENNS: No response.

MR. CHAIRMAN: The Member for Seven Oaks.

MR. MILLER: Mr. Chairman, since we are dealing with combined, firstly, I gather the Minister has clarified that the figure on the left-hand side is the 1978 year which in print is \$119.9 million, that in fact what was expended or committed, authorized was \$149 million. Therefore the increase is not nearly as indicated here. Am I right so far?

MR. ENNS: That is correct.

MR. MILLER: Now, the question is, was it expended or was it simply allocated?

MR. ENNS: It was spent. It was all spent.

MR. MILLER: It was spent. In other words the actual money was spent within the fiscal year 1977-78?

MR. ENNS: Well, I'll defer to my Deputy. It was spent.

MR. MILLER: It was spent, paid out, not just allocated, not just a contract? So that for this year what you show on the right-hand side, 160.5, is you have no funds available from any prior Capital Authority?

MR. ENNS: That's right, that is correct.

MR. MILLER: Whether through Highways or through General Purposes unallocated?

MR. ENNS: In other words, the cupboard is bare.

MR. MILLER: So you cannot look to General Purposes Unallocated, free moneys, at all; this is it. Now, I ask the question, of the moneys shown here, 160.5, it's combined — is the policy going to be that at the end of the year everything unspent will lapse? On the right-hand side?

MR. ENNS: It is my understanding that that will be the policy. But I would have to again defer to the Minister of Finance to some extent, that I would certainly be pleading a very strong case that if a year from now, or subsequent to the close of the construction period this year, I have only spent \$68 million or \$65 million of the asked for \$75 million despite the fact that I have committed additional moneys, that I will certainly be pressing my colleagues for some consideration in the ensuing Budget.

But my understanding is that dollars not spent, in this allocation, indeed lapse, that there is no carry-over from hereon in, that we in fact will come to that zero-based budgeting concept that has been talked about.

MR. MILLER: All right, so, Mr. Chairman, what the Minister is saying therefore is — let's take the \$75 million as the figure — part of that is Current Consolidated Fund, part of it will have to be financed through Capital, through the borrowing of money.

MR. ENNS: No, Mr. Chairman, I hate to interrupt the honourable member, that is all Current.

MR. MILLER: That is all Current and therefore the only Capital anywhere in these Estimates is in Item 8. Is it Item 8 that is Capital, the \$60 million for Acquisition/Construction of Physical Assets? Is that the only money that will be raised by Capital?

MR. ENNS: Mr. Chairman, I am advised that it is all Current.

MR. MILLER: In other words, there is no Capital moneyhere at all?

MR. ENNS: We have spent the last of the Capital Authority that makes up the \$29 million . . .

MR. MILLER: I know that.

MR. ENNS: . . . and nowhere in the Estimates are we showing nor do we figure on Capital Authority accruing to us. We are showing Current figures.

MR. MILLER: What you are saying is that the \$160.5 million will simply be regular revenues levied, raised through this year's revenues and there will be no Capital expenditures required to deliver the program which you here indicated, whether it be the City of Winnipeg assistance, whether it be the purchases of buses, the acquisition of buses or what have you — it will all be through Current revenues. Is that what you are saying?

MR. ENNS: Mr. Chairman, I am advised that it is all based on Current expenditures for the coming year, the \$160 million.

MR. MILLER: And therefore to really get a picture of what has occurred over the two-year period, last year \$149 million; this year, \$160.5? Is that what you said?

MR. ENNS: That is correct.

MR. CHAIRMAN: The Member for St. George. Gentlemen, I wonder if we might try and move along

if you can make your questions to the point.

MR. URUSKI: Mr. Chairman, I would like to know, in the program that has been tabled in General of the spending, could the Minister indicate what portion of the program is carry-over and what portion of the program's total spending is new in terms of millions of dollars?

MR. ENNS: Mr. Chairman, just off the top of my head, I believe it's of the order of \$24 million or \$25 million but I will substantiate that before . . .

MR. URUSKI: That's of the old?

MR. ENNS: That's a carry-over from the old program.

MR. URUSKI: And the new is roughly \$50 million?

MR. ENNS: That's right. I will be prepared to substantiate that more accurately for the honourable member later on in the evening if I may.

MR. URUSKI: Have there been any funds transferred from any other department in terms of northern roads or winter road construction?

MR. ENNS: The only addition and it has been here traditionally over the years, has been the Federal contribution in the Highway Strengthening Program. But there has been no transferring of funds from the Department of Northern Affairs which, as you know, and I might add the Department of Tourism and Recreation which is also to some extent involved in road building — there has been no transferring of funds. These represent the traditional Highway expenditures.

MR. URUSKI: Could the Minister indicate what the Federal contribution or Federal funding or to what extent will the province make use of Federal funding in this construction year? And what does it primarily go for?

MR. ENNS: Mr. Chairman, I can assure the honourable member that we will maximize the use of it but it looks very much as though it will be in the order of some \$18 million.

MR. URUSKI: Is that included in your Estimates now?

MR. ENNS: Yes.

MR. URUSKI: Both the Federal and Provincial portion?

MR. ENNS: That's right.

MR. URUSKI: And that is primarily on Highway Strengthening? And bridges?

MR. ENNS: By the agreement that we signed with the Federal government, it has to be allocated in those areas. It's to provide for the gross vehicle weights of upwards to 110,000 pounds on most of our major trunk highways. This includes, you know, strengthening of old pavement. A great deal of it has gone into the replacement of bridges which is the weak link in our program very often and which prevents us from allowing gross vehicle weights to increase to the desirable limits.

MR. URUSKI: The figure of \$18 million, that compares to last year's of \$12 million, I presume, that utilized \$12 million?

MR. ENNS: That's correct.

MR. URUSKI: So there is an increase of approximately \$6 million in your total program of Federal funds?

MR. ENNS: I would have to defer to my officials but my understanding is that we are approaching the end of a five-year program and we are trying to use up the full allotment that we have negotiated under the federal agreement.

By the way, may I say that it is a particularly appropriate, astute agreement that was negotiated by the Highway officials who indexed the cost figure. The Federal Government agreed to a 50-50 sharing on Highway strengthening back in 1973, I believe. Had we simply accepted dollar figures at that time, with the inordinate increases in the cost of asphalt and inflationary pressures on highway building, that contribution would now be down somewhere to 20 percent. But the officials of the Department of Highways, under the previous administration, negotiated, indexed that figure and we in fact now have realized a much greater figure in total numbers, in total dollars, than was originally envisaged.

MR. URUSKI: I thank the Minister. Could the Minister indicate as to what kind of cost escalations the department has faced in the last year in terms of construction. What percentage increase would be inflation in terms of construction and in your Construction and Maintenance Program?

MR. ENNS: To use one kind of stark example, but one I think that is pretty meaningful to most Manitobans and Committee members, everybody wants asphalt or blacktop and as I have already stated asphalt is a petroleum-based product. For instance, in the years 1973-74, which wasn't that long ago, a mile of asphalt came in at something like \$60,000 or \$70,000.00. That same mile now comes in at \$160,000 and \$170,000 and that is a massive increase. In percentage terms, in terms of the breakdown of costs based on 1976-77 experience, we're looking at increases in the labour costs of 35 percent; equipment costs of 32 percent; material costs of 28 percent. These are the kinds of inflationary factors that Highways has had to deal with.

And so I say this without sticking the needle in, the Department of Highways which in the years in the mid-sixties had access to some 16 or 17 percent of total budgets, total government expenditures, slipped down to some 8 or 9 percent last year, plus faced with these inflationary prices — gentlemen, that is why highway building and maintenance of highways has correspondingly gone down. That's why there has been the need and there has been the recognition by the people of Manitoba who recognized when in the last campaign, Conservative candidates said, "Damn it all, roads are important in the Province of Manitoba," and responded to that call.

MR. URUSKI: Mr. Chairman, would the Minister like to indicate, if his Federal contribution or Federal increased cost with Federal cost-sharing was increased by \$6 million, and he indicated that there was approximately a 30 percent increase on the average in costs of construction, as to where the funds for the additional Highways Program that he has touted about this province comes from?

MR. ENNS: Firstly, Mr. Chairman, I haven't touted any Highway program around this province. I have been happy to let the members of the opposition and the lone Liberal party do that. They have been the ones who have talked about 40 percent increases in Highway spending. I have never said that. As a matter of fact, the only time that I stood up in the House and said, is all I got was a modest 7 percent increase in Highway spending. I have never touted a great Highway spending program in this province. I have said that all I have got out of my tight-fisted Premier was the kind of increase that he says every department ought to get. And I say to you and I say to rural Manitoba that I'm not even satisfied with what I got, a 7 percent increase. If I have to say that in front of university students or hospital administrators I will still say that we need roads to get people to hospitals and we need roads to drive university students to their schools. I have been quite satisfied, I have been quite happy, Mr. Chairman, to sit back and allow the New Democratic Party to put themselves fixedly and firmly on record that they don't believe in spending money on roads. They think it is a terrible thing to spend on roads in Manitoba. I have been quite happy to have the lone Liberal member say, "It's a terrible thing to spend money for roads and highways." The ironic fact is that one of the reasons for the demise of the Liberal Party is because the last Liberal administration didn't recognize the fact that roads ought to be built.

MR. CHERNIACK: They built roads only; they didn't build schools, they didn't build hospitals . . .

MR. ENNS: No, no, they didn't build roads either. That was left to Mr. Roblin and Mr. Weir. And so in answer to the Member for St. George, I haven't touted around, I haven't pushed out my chest in pride, you know, for the great Highways program. I'm sure the Member for Ste. Rose would like me to do a lot more in his constituency. I'm sure the City of Winnipeg right now facing the potholes that they have in their streets, would like to see the provincial government give them a \$10 million grant so they can get their roads into order.

MR. URUSKI: Mr. Speaker, I want to, because I have been asked here, I want to have the Committee know what the Minister is speaking about. If you look at his quotations in the media in the last several months, he continually indicates in the presentation of his budget that Highways was neglected over the last number of years. It has been a total failure on the actions of the previous government. That has been the continuous attack by the Tory opposition and even the Minister since he has been appointed, that now Highways will get the priority. When you look at his Estimates of \$6 million increased Federal funding and the increased costs of escalating costs, he is not going to provide any kind of a difference in service than was provided over the years. He has perpetrated a sham, not only on the people of Manitoba but on all his colleagues who were hoping to have new construction and new roads in their constituencies. Look at the Budget gentlemen. The Minister of Highways has conned you because he has gone out and said that now Highways will get the priority that it was going to get that was neglected. The maintenance was being neglected by the previous administration and now we see in the Budget and he was right when he said that there was a modest increase of 7 percent. So, he has perpetrated a sham not only on the citizens of Manitoba who now — those who voted Tory have said well, maybe we will get some roads now in our areas, maybe even those in St. George constituency.

But he is going ahead and now indicating that he is really not spending on highways any more than the previous administration did and at least he is open enough now today in this committee by the figures that he has presented to indicate that.

MR. CHAIRMAN: The Minister of Highways.

MR. ENNS: Mr. Chairman, a little while ago I was accused of trying to have my cake and eat it at the same time. I am suggesting that the honourable members opposite, particularly the members of the New Democratic Party, whose Leader of the Opposition, just a little while ago, a few weeks ago, stood up in front of a cheering bunch of university students and said, "Look at that terrible Tory government, spending money on highways when they ought to be spending it at the universities." I will tell you, you can't eat your cake and have it both ways either. You can't eat your cake and have it both ways either.

I am satisfied, I am thankful — and I'm thankful particularly to the Members of my Caucus, who without their support I would not have received the modest increase in Highways spending. At least it isn't an increase which based on the last seven or eight years amounted to a decrease every year and the people of Manitoba are satisfied with the program we have set together and it's going to be reflected in a reasonably balanced program. They are going to see more highways activity and the people of Manitoba are going to be thankful for that. I am just suggesting gentlemen any box that you thought that you were putting the Minister of Highways into was put into by yourselves in your onward rush by not recognizing and — you know, there were capable people here — I am speaking to two former Ministers of Finance around this table. I am not just speaking to backbenchers that didn't have access to how Highways programs are put together. I am speaking to two former Ministers of Finance on this committee and they knew, they knew the kind of moneys the previous administration spent last year on highways but they could not resist the political temptation to go after some cheap populist votes, cheap populist votes with the university students or to go after my Minister of Health because we are restricting old age pensioners to two meals a day or some damn thing, to go after that area in the Estimates that showed a modest increase. Now, gentlemen you can't have it both ways either. I made no statements contrary — my statement was that I received a modest increase in Highways, I was happy for it.

MR. CHAIRMAN: I recognize the Member for Roblin, then the Member for Seven Oaks.

MR. McKENZIE: Now, that we are in Administration, I thank the Honourable Member for St. George who has now left the room and I'd like to ask him why I get a phone call today from the Roblin Trucking Service, plus Roblin Forest Products, that serve other industries in the area that due to the lack of policy or government input for roads, those industries are blocked in today, under the present road restrictions.

I just ask them, they were government and I'm sure under Administration I have to get this from you Mr. Minister and I'm sure you'll give me the answer, why of that neglect the Roblin Forest Products and Roblin Trucking Service had to phone me today and ask for special compensation or special dispensation to let their trucks roll, because of the neglect of this government.

Now, the other thing, Mr. Chairman — and its under Administration and maybe more difficult May I ask you, Mr. Chairman, to the Minister, if you could, and it's eight months of that former government and only three of this government, would you check through the records and see where highways came in the priorities of the former government, and would you, Mr. Minister, show us where highways is going to come into the priorities of this new government? Thank you, Mr. Chairman.

MR. CHAIRMAN: Highways Minister.

MR. ENNS: Mr. Chairman, I think the best way I can respond to that question is simply to repeat what I have already said, that in the 1960s under the previous Conservative administration, Highways commanded the respect of some 16-17 percent of the Provincial Budget. In eight years of the present administration that dropped to 9 percent, below 9 percent, some 8 percent. I recognize, as the Honourable Member for St. Johns is busy writing his letter that in the interim substantial and major social programs have come into force and come into play and you would expect that to drop somewhat. But I can tell him at the same point, that we have dropped below the line where we were in fact losing . . . You know when provincial roads aren't maintained to a certain level, when they are allowed to deteriorate beyond a certain level, then we start to lose ground and these roads need a certain amount of attention. If you let highways deteriorate beyond a certain level then it costs far more money to bring them back up to level. What we intend to do and certainly if I am given the opportunity as Minister of Highways over the next few years, I will tend to do my very best with the support of the majority of members in this Legislature to appropriate those funds necessary that will insure that that will take place.

MR. CHAIRMAN: I recognize the Member for Seven Oaks.

MR. MILLER: Mr. Chairman, it is a very stirring speech that the Minister makes and . . .

A MEMBER: You like that?

MR. MILLER: Yes, I like it very much because what he is basically saying is this, that under the former administration the highway program in Manitoba suffered. If you look at the printed sheets you see \$119.9 million versus \$160.5 million, by gosh, it looks like a dramatic increase for this year, but now tonight we heard from the Minister that in fact the column on the lefthand side is somewhat misleading. That in fact, instead of \$119.9 what they actually spent in the Highway Department was \$149 million. So if you take the \$149 million spent last year as the amount that the Minister now says was actually spent, and he had to use capital authority of one kind and another so he has cleaned up all the authorities granted by the previous government, so therefore, the previous government did make the money available.

So, what I am basically getting to, Mr. Chairman, is that if last year \$149 million wasn't being spent on highways, and this year the increase is to \$160 million which is what — \$11.5 or \$12 million or something like that more that doesn't even keep pace with the inflationary costs which he told us about a few minutes ago, particularly in hardtopping and asphalt and other costs. So what you see before you is not what appears to the public and to the media as an increase in Highway expenditures and maintenance but in fact is not even an increase, it is a stand pat Budget because the cost increases will be about equivalent over last year because I think it is an average of about 25 percent. So that if the Minister agrees with me, Mr. Chairman, he has to either admit that this year's program is not a particularly high program or that the program he inherited from the former administration was in fact equal to his program by his own figures.

MR. CHAIRMAN: Highways Minister.

MR. ENNS: Mr. Chairman, I really think that we've exhausted this subject. The difficulty with the members of the opposition is that they would have liked to have been able to find some \$20 or \$30 million shown on the lefthand column, unexpended and added to the deficit, but obviously that is not there, so that's causing some consternation with the honourable members opposite. The fact that I have an outrageously extravagant highways program, I thank the honourable members of the opposition for, you know, in terms of perception by the public. I've always said that I've received a modest increase and that is what I am asking this committee to accept. Now, if you find yourselves in a position of difficulty with that, that is your problem. You haven't found in the lefthand or the righthand column, moneys that Highways has put into that the Department of Finance has used to bump up the deficit figure. You haven't found that either gentlemen. So let's get on with the Estimates of the Department of Highways province. and let me build some roads in the

MR. CHAIRMAN: The Member for Seven Oaks.

MR. MILLER: Mr. Chairman, the Minister may want to carry on, but I think the point that has to be made clear is to refute the statement that the Minister persists is making, namely that the former administration simply did not have a good enough highway program, and that over the years the highway program suffered because under the former administration enough funds were not made available. The fact is the funds were made available and the mere fact that he was able to spend another \$30 million over and above the printed figure, and he didn't get it out of the air, it had to come from authority, which the previous government had voted, and which he inherited, so in fact the program which the former administration had developed and had asked and received authority from the Legislature on was in fact the equivalent of the program which today we see — it isn't any better, it may be equivalent and maybe even less if the rate of inflation isn't sufficient to cover the increase.

Now, Mr. Chairman, there is one point I would like to zero in on, I'm sorry I should have done it earlier. The statement was made when I walked in that Winnipeg drew something like \$2.3 million less than had been anticipated in 1977-78. Is that right?

MR. ENNS: Not less, more.

MR. MILLER: That they drew \$2.3 million more in 1977-78?

MR. ENNS: That's right.

MR. MILLER: Or they drew less?

MR. ENNS: More.

MR. MILLER: They drew more. And was that amount made available through capital authority which had been voted in previous years or was that through current revenues?

MR. ENNS: Capital authority.

MR. MILLER: That was through capital authority. So that same \$2.3 million in not reflected in 1978-79? Is that right?

MR. ENNS: No, what is being reflected now is the amount of drawdown we expect the city to take, \$15 million.

MR. MILLER: \$15 million as against \$10 million last year?

MR. ENNS: That's correct.

MR. MILLER: In fact they drew \$2.3 million more, that's what you are saying? \$12.3 million, is that correct?

MR. ENNS: That's correct.

MR. MILLER: Thank you.

MR. CHAIRMAN: Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, I would like to develop what we have been talking about in spite of the fact that the Minister would like to move on. I don't blame him for wanting to move on, I just have to tell him that I'm not quite ready to move on because, Mr. Chairman, this Minister who righteously says he never said he had an enlarged program was present in the Legislature, in the City of Winnipeg in the province of Manitoba, while there was a report — not one but several — and I have to say that I understand these figures and I happen to have gotten information from Mr. Ziprick about unexpended, unauthorized moneys, capital moneys available from previous years so that I was within, as the Minister pointed out, some \$2 million. So it was no surprise to me once I could understand it.

But, Mr. Chairman, let us recall that there was a Budget night and that Budget night there were big grandiloquent speeches made and I don't have the Budget Speech before me so I won't quote from it. But these Estimates were distributed and at the same time the government spokesvehicle, the Government Information Services made an announcement and said for highway construction there is an increase by a third. And the Minister may not know this because he may not have had much to do with Government Services Information bulletins. They, in our time, never published anything unless it was approved by a Minister or a Deputy Minister, which means that somewhere I would think, there is somebody's initials attached to that announcement about a one-third increase.

Now, I believe that the Minister of Highways — his initials don't appear there. I believe that Mr. Brako's initials do not appear there, but somebody's initials must.

And there you have the press given that information, talks about the information, now where was the Minister after that? Where was he, Mr. Chairman? Was he away in Hawaii? No. Was he in Nassau? No. I think he was here and I think he reads the papers. And I think a person as aware as this Minister knew very well the kind of message that was being sent out by the Government of Manitoba to the people of Manitoba relating to highway construction. Where was he to speak up and correct that misapprehension? Nowhere. Until . . .

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

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

MR. ENNS: On a point of order. On the first occasion that that was raised formally in the House, I rose in my seat and corrected the record with figures that I have now supplied the Committee, and that was some two weeks ago. But on the first occasion that that was raised in the House, I corrected the record and the Honourable Member for St. Johns is aware of that. I want that to be on the record, Mr. Chairman.

MR. CHERNIACK: It is on the record.

MR. CHAIRMAN: The Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, the first occasion would have been budget night but that was too soon. He probably didn't read the paper. . . (Interjection) — . Well, yes, the day of distribution of the Estimates, of course, not budget night. My goodness, on the last day of the Throne Speech the Estimates were distributed and the bulletin was distributed. And that is long before two weeks ago and if that to the Minister was the first occasion . . .

MR. ENNS: Mr. Chairman, on another point of order.

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

MR. ENNS: On that night, I informed several members of the media of the true facts, but of course a Conservative Minister speaking the true facts, they weren't particularly interested in it. But I can tell you and I can name you names. I can name you names and there is one sitting in this Chamber right now. I said, "Fine, if the Opposition wants to run with this, fine, but that's not correct. These are the true figures and in due course when my Estimates come before the House, it will so be indicated." Several individual members of the media were made aware of the fact outside in the hallways after the

distribution of the Estimates. When, as to be expected, I was asked was I gleeful, was I happy about the inordinate increase in Highways, I made it a point of correcting it.

MR. CHERNIACK: Mr. Speaker, I'm not sure that is a point of order but I always like to give the courtesy to the honourable member to speak even when he is out of order because I know that he is going to let me speak, Mr. Chairman. Mr. Chairman, I think the Honourable Minister ought to reflect very seriously about why it is that he wasn't believed by the certain members of the press to whom he spoke that night of the distribution of Estimates. Or is he saying that they deliberately ignored what he said because they wanted to attack the government and discredit the government and the Minister?

MR. ENNS: I certainly am, I certainly am, yes.

MR. CHERNIACK: Well, the problem that the Minister has with the media is his problem which I will not participate in, but clearly he has now stated that they have deliberately distorted what he tried to tell them, ignored it in order to discredit him.

Well, I have to say that under those circumstances, Mr. Chairman, if the night the Estimates were distributed, and I don't remember the date but . . .

A MEMBER: The 27th or the 28th.

MR. CHERNIACK: About the 27th or 28th of March which is about four weeks ago, he told the press the truth; they ignored it. The first opportunity would have been the following day, not two weeks ago. The second opportunity would have been the day after that. And it seems to me that when he got up and he announced that 7 percent figure, it was probably the 20th opportunity that he had, which he then took as the first.

So, Mr. Chairman, what has happened is that either deliberately and I don't believe it was deliberate — no, I don't believe it was deliberate — I think that these figures were presented in such a way as to give a distorted impression to the people of Manitoba and I don't say it was deliberate but I do say it was interpreted in such a way and that it was deliberately left that way until statements were beginning to be made that this government places roads ahead of people. And then the Minister, apparently, used his first opportunity to clarify the 7 percent and did not give the figures but just made the statement and then he did come across when the Member for Seven Oaks and I were figuring out and we had our own information as to accumulated authority from previous years, he showed us, I think, the piece of paper that is in his hands now.

MR. ENNS: Mr. Chairman, I take back those remarks that I attributed to the media with respect to their bias and prejudice, except to say that this particular piece of information was prepared specifically for the Premier to read to the university students who were demonstrating in front of this Legislature not so long ago. He read this information. Now, that event was well covered by the media, well covered by the media. Now why anybody in Manitoba should now have to hear these figures is beyond my comprehension. Now I ask you to judge whether or not there was misrepresentation or bias or prejudice by the media. But this sheet of paper was prepared specifically for the Premier to enable him to stand up to the university students who were demonstrating at this building to indicate to them that Highways wasn't in fact receiving inordinate attention. This information and these figures were read out by the First Minister of this province from the steps of this Legislature and not one person in the news media picked it up. Because they didn't want to listen to that. The seed had been implanted that the Tories build highways; we don't educate children. Tories, you know, build highways; we don't look after old people. Tories build highways; we put sand in the babies' diapers in childrens' hospitals. Tories do all these other terrible things. And that is what was meant to be believed by the media; that was what was reported.

But these figures were read out on the steps to 1,000 or 800 or 400, whoever it was, university students some two or three weeks ago and nobody chose to pick them up. Now, you tell me whether I or the First Minister have deliberately tried to conceal these figures.

MR. CHERNIACK: Mr. Chairman, I do enjoy these interruptions but they do take time.

MR. ENNS: Well, but it is fact.

MR. CHERNIACK: By all means, it's just that the Honourable Minister has no right whatsoever to interrupt me. I don't mind him doing so but let him not be that righteous about it. Let him at least acknowledge that he is out of order when he does it.

MR. ENNS: I'm out of order.

MR. CHERNIACK: Having done that, Mr. Chairman, and having backtracked about his accusation about the press twice because first he withdrew it and then he said, "Now, who is distorting it if not the press?" And, Mr. Chairman, who is it that keeps talking about sand other than the Minister of gravel and sand himself? He is the only person who accused the Conservative Government or any of its Ministers of putting sand in diapers and he is now repeating it as if somebody else did.

MR. ENNS: Because I know the accusations come next Tuesday. Next Tuesday the accusation will come . . .

MR. CHAIRMAN: Order please.

MR. CHERNIACK: If the Minister keeps on repeating it, people will start believing it and that is the unfortunate thing about the Minister, he is getting into trouble. Because it is difficult for people who don't know him pretty well to sort out the truth and the joke in what he says, and many times the joke is not the truth but that is because he jokes that way.

So let me get back to the fact that the Minister, his government in some way or other misled the people of Manitoba by making them think that there is a tremendous increase in highway construction. Then, Mr. Chairman, what happened is that they were attacked for distorting their priorities, except for the Member for Roblin who is happy with what he thought was the priority and didn't understand what we were talking about here, and learning that they were in trouble because of the distortion, they now came out with new figures, probably more correct figures, and now they are complaining that those aren't being accepted. Mr. Chairman, what has to be acknowledged is that even considering an exaggeration on the part of the Minister of the increased cost of gravel and labour, they are producing now a program for highways less than was on track last year. They are reducing the amount of roads being built and improved. That is obvious.

MR. ORCHARD: Come down to Pembina, Saul.

MR. CHERNIACK: The Member for Pembina invites me to go to Pembina. Does he mean that there will be more construction in Pembina?

MR. ORCHARD: Than in the last eight years combined.

MR. CHERNIACK: You see, Mr. Chairman, now we know that where the Government of Manitoba today has less money to spend in relative dollars than was spent last year, the constituency of Pembina, and we know the constituency of Roblin, is getting more money.

So that's fair game. They are distorting it their way, they are favouring theirs and they are therefore changing the area of Manitoba where there is a greater need, in their opinion, and it was clearly admitted by our government for the first number of years that the north of Manitoba needed a great deal more than the south and that was announced and debated and discussed. And the government now ought to have the integrity, ought to have had the integrity because today it's acquiring that integrity through the Minister with our help. But now it is beginning to produce the fact that they are spending less money in relative dollars than was spent last year, but at different locations. Fair game. But with an increase of some 7 percent and with the costs increasing much greater than that, by the Minister's own figures, they are now actually spending less. And I don't decry that. I personally still put people ahead of roads and roads are services and roads connect people and they are communication media that are very important. But I do prefer to see less roads and more spent in a humane way and for people who need it.

But I want to make it absolutely clear that the government misled us, either deliberately or otherwise, at the conclusion of the Throne Speech. The government was silent while the impression was planted, or left with the people of Manitoba that there was a big increase in Highways and the Minister had every right to get up and speak during the Budget Debate and he knows, he has proven today he knows how to speak even when he is out of order, and he had to wait until two weeks ago to clarify the situation. Now we know there is less money to be spent in Highways than last year in relative dollars. That's clear. So the program has been reduced in relative dollars, Mr. Chairman. I think that is clear.

And now I want to ask the Minister whether he is prepared to give us, or rather when he is prepared to give us a breakdown of the civil servants on track year — I mean employees of the department, of all kinds, a year ago and today, what was authorized a year ago and what is authorized today, for us to find out the extent to which the employees, the numbers of employees have been reduced in this department.

MR. CHAIRMAN: The Minister of Highways.

MR. ENNS: Mr. Chairman, I think I can indicate even without the information from my officials that there has been no reduction in employees in the Department of Highways. The Department of Highways, as the Member for St. Johns indicates, is a service department that requires X number of people to maintain the roads. The roads are increasing in mileage, not decreasing. They increased in mileage even under the previous administration. In total, I believe that our staff is very much the same this year or last year with the possible addition of some numbers. We have the total figures here and I would be pleased to give that information of the department.

MR. CHERNIACK: Well, Mr. Chairman, while we are waiting for those — there is no rush . . .

MR. ENNS: I'll take the question as notice and provide the member with that information.

MR. CHERNIACK: I think there has been the practice in previous years of this information being given and I'm sure the Minister will give it.

MR. ENNS: We can provide that information.

MR. CHERNIACK: I want to ask the Minister, under this item of Administration which includes his Deputy Minister's salary, where in this department is there a . . .

MR. ENNS: Mr. Chairman, I can give the information to the member right now. In 1977-78 there were some 2,742 staff man years as compared to, requested for in these Estimates, 2,760. So you have an increase of approximately 20, 2,742 to 2,760. You will forgive me if I don't use the decimal points; I have always found it difficult to find a .37 civil servant or a .8.

MR. CHERNIACK: You can find a partial year but not a partial person. Have there been any people dismissed for inadequate performance by this government?

MR. ENNS: No. There have been a number of transfers and changes through attrition but there has been no change in the basic complement of the Highway's personnel.

MR. CHERNIACK: Since there is no reduction, are the figures given by the Minister authorized as staff man years?

MR. ENNS: Yes.

MR. CHERNIACK: How many are filled of those? Roughly, a percentage.

MR. ENNS: I'm informed that there are very few empty, that we do not have the practice of a great number of positions allocated for moneywise in the Estimates and not actually filled.

MR. CHERNIACK: Mr. Chairman, I will just conclude with this. It seems to me that with a smaller program which I say there is in relative dollars than last year, just how does the Minister explain the increased number of employees?

MR. ENNS: Mr. Chairman, again I let the Member for St. Johns draw his own conclusion. He has now several times put on the record the fact that we are talking about a smaller program. I indicated to him earlier some inordinate increases that we experienced during the years 1974, 1976, 1977, principally when we had double digit inflation in this country and inordinate increases in petroleum products of which asphalt is a major component. The truth of the matter is that this construction year we are finding even in the preliminary contracts coming in that because of the perhaps slowness in the construction industry generally that our initial contracts are coming in below tender and that in fact I don't accept the member's premise that we are talking about a reduced or smaller program. I am satisfied to let the people to judge that at the end of the program as to whether or not it has been a reduced or small program. I suspect that the additional \$11 million will in fact be felt and experienced as an increased level of highway work, both maintenance and new construction in the province of Manitoba.

MR. CHERNIACK: Does that mean, Mr. Chairman, that the Budget took into account the reduction in cost of construction per unit because of the fact that there is a depression within the construction industry?

MR. ENNS: Well, Mr. Chairman, the Honourable Member for St. Johns is again trying to put words in my mouth or put words onto the record that I don't accept. There is not a depression. There is a desire and a chasing after the same contracts by more contractors. We are very happy that as a result of the change in government more contractors are coming back to Manitoba from Saskatchewan, from Alberta, that flew in that direction in the last few years, and consequently, in the true free market system are bidding in a more competitive way and where you might have had two or three contractors bid a job a few years ago, you've got five or six, and the competition is steep. The competition is as it ought to be and the Department of Highways and the people of Manitoba are the recipients of any gains as a result of that competition.

MR. CHERNIACK: Mr. Chairman, I can't help but comment that this Minister has two portfolios, that in the other portfolio he has, with the government's instructions, cut so much of the construction program plan that, if he doesn't know it I don't know who should know it, there are complaints coming from all people in the contracting industry that they have no work. And therefore he is trying to play the game of saying, well, all those people that ran away from Manitoba are now coming back, whereas the fact is the people who are in Manitoba are losing jobs, architects, draughtsman, the contractors generally are feeling the pinch, because of the provincial government's withdrawal from

public works.

MR. ENNS: I can't help but saying that we are talking about apples and oranges. The fact of the matter is that we've got 30 percent or 25 percent of vacant commercial prime office space just down the avenue and all throughout the City of Winnipeg that as Minister of Public Works I don't see it in my role in adding to that surplus of vacant and commercial office space, so that in that area of construction it is quite correct that there are complaints coming in, and that I'm not assisting a somewhat dormant under-utilized you know, construction capacity. I hope, and I see signs of it, with the space finally being used up and with announcements being made by private interests, whether it is Eaton's Square, whether it is Trizec Corporation, whether it is others that are finally going to start to put in the 50, 100, \$150 million worth of construction, that the heavy construction industry, the building construction industry in this city is looking for. But I say it is pound foolish for me to rush out and build another 16-storey office tower such as the Woodsworth Building simply to build an office tower when I can rent it next door from Monarch Life or anywhere else for the same price.

MR. CHAIRMAN: May I remind the members that we are discussing the highways Estimates not Public Works.

MR. CHERNIACK: You are right, I am not suggesting that the Minister run out in his other capacity to build buildings, what I am saying is that there is a depression in the building industry in Manitoba, that's all.

MR. ENNS: That's true. I accept that.

MR. CHAIRMAN: I realize gentlemen that we are going to have a discussion and a debate on the Estimates either under Administration or the Minister's salary, but I would caution you to try and be brief and let's try and move something along here as quickly as we can. I will recognize the Member for Ste. Rose, then the Member for Seven Oaks.

MR. ADAM: Thank you very much, I guess it's my turn to have a kick at the cat, but the Minister can talk as much as he likes but he will not convince me that it wasn't a deliberate attempt by whatever means to leave the impression in the rural areas that there was a massive increase and you know, his silence was very conspicuous. Now, whether the press did not want to give out the information, I think that the information could have been forthcoming. I submit and as far as roads are concerned in the rural areas I will be the first one to agree that it is very, very important as far as rural people are concerned and you did not hear me complain too severely, in fact I didn't complain at all although I was very disappointed when I go back home and see old ladies walking half bent over and saying you know, I lost my card to get a set of glasses or get my teeth fixed, then I start to wonder you know where our priorities. But getting back to you know, o, the Minister's not going to get away with this because he gave us the answer himself. He gave us the answer himself when he said that they had deliberately prepared a sheet for the Premier to present to the students on the steps of the Legislature and that is an admission in itself that there was a great deal of backlash that had been coming about for about three weeks prior to that and somebody should have made a statement, the Premier should have made a statement on his weekly report over the radio whenever he goes, he could have made that statement, it was never made, in fact, many members of the Conservative Party were all smiles and bragging about the big program — this was the kind of government that we needed and all these roads that were going to be built.

Now, I haven't had too much of an opportunity to look at the sheet here but what I have seen is that we are completing the road work that is going to be done in my constituency that was allocated in last year's appropriation. Most of the work that is going to be done is already programmed for last year, so actually except for a second lift on 261, which I think the Department had to go ahead with because you couldn't just leave it that way because it was too flat, it's too flat and it is going to disappear if we leave it that way, but outside of that I don't see anything there that this government has committed in the Ste. Rose constituency. All that is going to happen there is already programmed from previous years.

I am thankful for that. I am thankful for that because I really thought that those signs would be coming down, and I am happy that I went up around the constituency over the week-end and the signs are still there so I appreciate that at least we are going to complete that work that we undertook. I would hope the Minister will not try and lead us to believe that this was — off-hand it's difficult to believe that a bulletin, a press bulletin that is let out by the news service does not come over the Minister's desk or the Deputy Minister's desk for his — you know, you get a rough draft copy and then you authorize it, that's the way the practice was in the past, it would be a great departure I think from past practice if that was not done today. I don't think that the Minister would take that chance of allowing the news service to issue statements of that nature.

I would like to ask, I have one more question to ask but I hope we're not going back to the past practice that my predecessor had to deal with, the now Senator Molgat, when he was unable to get any road construction anywhere. In 1968 he got \$425,000 and in 1969 he got \$760,000 and that was the first time that anything was really happening there for 10 years. So, you know when we hear members from Pembina and around complaining, I am sure that the then member had a difficult time, in fact I think he was kneeling down before Mr. Borowski to try and get some road construction in his

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area. And the following year, 1970, he was still there, he got \$870,000 or thereabouts, \$860,000.00.

MR. ENNS: How much you got this year?

MR. ADAM: How much did I get?

MR. ENNS: How much do you have?

MR. ADAM: I don't know, but I went down I think. I went down, but I think we got some road work started anyway, and we are very appreciative of that and we hope that those programs that had been recommended by the department, by the region, by the district will continue because some of those roads are important in that they lead to Grand Rapids, they are not primarily only of use to my constituency, they're main arteries that are going to the north and I think that is what we want to see.

But I would like to ask one question, how much of the 160 million dollar Budget, how much has been already committed, can I get that answer?

MR. ENNS: Sorry, I was interrupted in the last . . .

MR. ADAM: Well, we have \$160 million

MR. CHAIRMAN: Would the Minister for Ste. Rose repeat his question.

MR. ADAM: I would like to know what we have allocated on pre-tendering? Do you have a figure?

MR. ENNS: \$18 million was pre-tendered. That was prior to even the first. . .

MR. ADAM: \$18 million plus the 25 of last year's allocation?

MR. ENNS: I can only indicate that out of the \$75 million of new construction, \$18 million is already out in the pre-tendering program and the balance is being in the process of tendering at this time.

MR. ADAM: And we have 25 left over from last year?

MR. ENNS: 23-24 carryover.

MR. ADAM: Okay, go ahead.

MR. CHAIRMAN: The Member for Seven Oaks.

MR. MILLER: The Minister indicated earlier that there is an increase of 18 in staff this year, anticipated this year over last year. Last year about the same time there was a requirement for every department, or a request from every department to have a 10 percent vacancy rate. I don't know if the Minister would have this information, but the staff would, could he tell us whether in fact, what was the vacancy rate in let's say, February, March or April of 1977? Well, the figure 2,742, was that actually the number of people that were in positions or was that staff man years? If it is staff man years, what was the vacancy rate last year?

MR. ENNS: Mr. Chairman, the Department of Highways employs a goodly number of term and seasonal people, but it has been indicated to me that in the area of the permanent employees, I'll try to be correct in the statement, we came very close to that 10 percent vacancy rate.

MR. MILLER: In the permanent employees?

MR. ENNS: In the permanent employees category recognizing that we do hire the maintenance crews every spring and so the figure fluctuates considerably in the Department of Highways.

MR. MILLER: All right. Now does the same vacancy rate amongst the permanent staff apply today as it did a year ago?

MR. ENNS: Roughly about the same applies. There has been some slight gain, but it has been indicated to me that that same vacancy rate applies.

MR. MILLER: I wonder if the Minister could undertake to give to this Committee, and he doesn't have to do it now if he hasn't got it, the number of staff man years — permanent, term, contract — a year ago, and the vacancies a year ago, that is unfilled positions in all three categories, and the same figures for this year.

MR. ENNS: Yes, Mr. Chairman, I will undertake to have that information to the Committee in a very few moments.

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MR. MILLER: Mr. Chairman, I am informed the other Committee has risen and there are I know other members of the caucus who have questions on the Highways program, so I would move that Committee rise and that we deal with this tomorrow.

MR. CHAIRMAN: Committee rise? (Agreed)

SUPPLY—MINES AND RESOURCES

MR. CHAIRMAN, Mr. Abe Kovnats: I will direct the honourable members to Page 58, Mines, Resources and Environmental Management. Resolution No. 82(d)(1) Salaries — \$213,700—passhe Honourable Member for Brandon East.

MR. EVANS: Well, as I was saying when the supper hour began at 5:30, or the adjournment hour rather, the people in the community of Shilo, CFB Shilo where there are nearly 4,000 persons at peak periods of the year are under the distinct impression that a Conservative government would cause their problem of the location of the hog ranch, the Vercaigne Industries Limited, to be resolved very quickly. As I stated, it's reported in the Shilo Stag of February 9th, 1978 — and I'm reading from the brief that was presented by Colonel Simonds — a very clear understanding on their part and I quote: "The Conservative candidate for Brandon East in the recent election in his campaign took particular note of our situation and stated that a Conservative government would act speedily to resolve the matter."

I repeat, Mr. Chairman, the people in that community, the Commander, the staff, the residents, the families, are under the distinct impression that this candidate, this person who was speaking on behalf of the Conservative Party in Manitoba, that his statements were considered to be responsible statements. The fact that he is a lawyer in the community of Brandon, the fact that he's been appointed to the Public Utilities Board, I think would indicate that people believe that he has some professional competence and that he should be taken at his word. Indeed, he has been taken at his word and obviously he is held with some esteem by the Conservative government, by the Conservative Party, so I would like to hear from the Minister categorically whether they are prepared to move speedily and to resolve this problem that we were discussing earlier today, this afternoon. We would like to know just how quickly and to what extent the government is prepared to move to alleviate and to ultimately resolve this particular problem. I say I appreciate that it is a problem; it's been there for some time but I repeat that the people are under a distinct impression that something is going to happen and I would like to take this opportunity to get a clear statement from the Minister as to how it's going to happen and when it's going to happen.

MR. CHAIRMAN: The Honourable Minister.

MR. RANSOM: Mr. Chairman, the honourable member is indeed repeating himself because I gave him an indication earlier this afternoon that we were prepared to begin examining the whole question of intensive livestock operations and the difficulties that these create. I believe that I have nothing further to add to my previous answer.

MR. EVANS: Well, Mr. Chairman, then what we have is a promise to study the matter. We have no indication that any new policy initiatives will come forth and unless the Minister can tell us that he does expect to bring forth positive policy initiatives to resolve the matter I'll just assume that this government is not acting speedily and will do nothing to resolve the problem. We'll just have to assume that. I mean, studying it is fine. As the previous Minister, the Member for Inkster stated this afternoon, we have studied problems such as this — in fact we came up with a new policy, the only one of its kind in Canada — and we've discussed the matter with producers and other groups, and it's a clear question of land usage, incompatibility of the use of the land available in this area, and everybody understands it. So it's fine to study it but that, of course, is no indication that anything will happen. So, unless I hear additional from the Minister, I will assume and the people in Shilo will have to assume that nothing will happen very quickly. In fact, nothing may ever happen.

MR. CHAIRMAN: The Honourable Minister.

MR. RANSOM: Well, Mr. Chairman, evidently the initiatives and the policies of the previous administration were unable to deal with that situation over a period of eight years, and I have said that we are going to take some new initiatives, and out of that I hope there will be a number of these problems resolved, not just the Shilo one. Now, the honourable member can assume what he wishes: he assumed, the night of the election, that Brandon East was an island of intelligence surrounded by a sea of Conservative ignorance, and Mr. Chairman, that's the sort of assumption that the people of southwestern Manitoba are acquainted with from the Honourable Member for Brandon East.

MR. EVANS: Well, Mr. Chairman, it's unfortunate — we're trying to take a positive approach to the matter and I believe that the . . . I tried to make a point and I think I've been rather unsuccessful in

making the point. And the point is not whether our performance over the past eight years . . . As I said and as the Member for Inkster made it very clear, we did bring in new policies. As a matter of fact, the problem has been around — if you want to call it a problem — the operation has been around I think since about 1946, 1947 — it's been around for some time. And we know it's not simple, and we know that . . . In fact the operation came into existence in the first place, I believe, because there was some thought that it could operate from certain waste products coming out of the base, so it seemed to be a sensible move at that time. But over the ensuing years it has become an increasing nuisance to the people concerned.

I appreciate that this isn't the only problem; I said before we adjourned this afternoon that there is a principle involved here, but I took the opportunity because of what we understood, the people of Shilo understood, to be some very clear commitment, that something was going to happen and they are apparently under that impression. This is not a political position that these people are taking, it's a position that they are taking based . . . They have taken the statements of the Conservative candidate in good faith and they are just expecting something to happen. They have taken your Conservative candidate at face value, what he said at face value.

It's not me that's making this statement here; it's not my press release; it's not my brief. This is a brief that was prepared by CFB Shilo — it's their understanding, it's not something that Len Evans is stating here. So the argument isn't with me. I realize it's a very difficult thing. In fact, we spent some time out there with Dr. Bowen, one of your key advisors, he's very familiar with it. He accompanied me and other staff some time last summer and we know it's a very complicated issue. It's not easily resolved. I think the municipality does have some responsibility in the matter. You could argue that that is where the stumbling block is and nothing else should happen but I repeat, the argument is not with me and not with anything that I have stated. In fact, if you want to read my statements from the last election, you can, and what I stated during the election is what was said this afternoon in the debate, that we have a policy, we think it's a fairly good policy, it's a progressive policy and it's unfortunate that the Cornwallis municipality would not be more co-operative. That was our position and we tried and we thought maybe at some point we could get the co-operation of Cornwallis, particularly since CFB Shilo pays a large amount of money per annum in grants in lieu of taxes, the Federal Government pays in grants in lieu of taxes a large sum of money. Also since half of the population of the R.M. of Cornwallis resides at CFB Shilo.

So I appreciate that there are problems and I appreciate you just can't wave the magic wand and have it resolved. But it seems to me that this government has some promise to live up to and the promises to the people at Shilo, not to the Member for Brandon East but to those 4,000 people who are very annoyed and very concerned about this particular issue.

MR. CHAIRMAN: (d)(1)—pass — the Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, before the dinner break, I asked the Minister if he was able to get the up-to-date inventory on the progress of the environmental impact review projects that had been considered, particularly those in relation to the Hydro projects. I wonder if he has that information yet.

MR. CHAIRMAN: The Honourable Minister.

MR. RANSOM: I'm afraid that we have not been able to get those fully prepared yet, Mr. Chairman.

MR. AXWORTHY: Mr. Chairman, I think in the absence of them, it makes it a little difficult to fully question the Minister but I would like to raise one question concerning the . . . Is it okay to ask the questions anyway? All right.

On the Hydro proposals themselves, I wonder if the Minister could detail for us exactly what arrangements he has made with Manitoba Hydro in terms of the proposed transmission lines and any other Hydro projects, particularly those dealing with the nuclear area. There was a disagreement I think between myself and members of the former government concerning the references and how Hydro would make them concerning its environmental program. They were insisting that it go to the PLUC committee of Cabinet. Now, I understand that there is some question about, at least it was in the recommendations I think of the Task Force on Reorganization, perhaps that committee should be disbanded or changed or its terms of reference changed. I wonder if the Minister has established any clear working guidelines with Manitoba Hydro in relation to how it intends to submit its environmental impact requirements.

MR. RANSOM: Mr. Chairman, there have been no changes made to date in the method of operation. We are continuing for the moment in the way that the previous administration was operating.

MR. AXWORTHY: Well, Mr. Chairman, taking the Minister's statement - that there is no change in the way of doing it, I would like to ask him, does he intend to change it? Or has he examined the efficiency or effectiveness of that use of the environmental statements because I gather that the way in which Hydro has proceeded in the past has been to basically by-pass the requirements from environmental impact statements on most of its major projects; in fact, I believe most of the Crown corporations — Telephone System, Hydro, and the other large operators have basically by-passed

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the system. Now, as a new Minister with a new mandate does he intend to correct that by-pass and establish stricter guidelines for the development of environmental impact statements of these major projects?

MR. RANSOM: Without accepting all the premises that the honourable member has made, Mr. Chairman, I can say that we're reviewing all our programs to try and determine how effective they are, and the environmental assessment and review process is certainly one of those. I recognize that it's an area of great concern and we'll be reviewing it carefully. I trust that a year from now we'll perhaps be in a better position to answer definitively.

MR. AXWORTHY: Mr. Chairman, I'll take the Minister's commitment to return a year from now with the result of his review.

MR. ENNS: We hope that you're going to be back a year from now.

MR. AXWORTHY: I promise the Minister of Highways that somewhere and somehow, I will be in a position to comment upon the position of the Manitoba government.

MR. ENNS: We want you back Lloyd.

MR. AXWORTHY: The where and the how is another question.

MR. ENNS: We want you back Lloyd. The lone Liberal. The lone Liberal rides again, we want you back Lloyd.

MR. AXWORTHY: Mr. Chairman, I thank the Minister of Highways for that endorsement and tell him if he wants to put his name on the proper sheets of paper when the time comes we are quite prepared to accept his endorsement of any kind.

MR. ENNS: The way these boys are treating me I may join you.

MR. AXWORTHY: Well, we had to reply with a little discretion, Mr. Chairman.

I'd like to just raise one further issue with the Minister before we pass on from this particular item and that has to do with the environmental protection that's afforded by the provincial government in terms of the changes taking place on land around the fringe of the City of Winnipeg. There has been a number of major developments taking place along the arterial roads, Highway 9 and the highways out to Steinbach, out towards the Headingley area; large amounts of agricultural land have been consumed during this period of time. There is, I think, increasing concern about the carrying capacity of the ground water systems in those areas and the sewage and waste systems in those areas, and while the provincial government's Department of Municipal Affairs has been responsible for the Planning Act, I would be interested in knowing if there has been any work attempted by the government to determine what the environmental consequences of that major development on those fringe areas might be and whether there is any intention to introduce steps to try to regulate or control that particular kind of development with a view to protecting the environmental systems that exist in these areas. I am thinking in particularly in the Red River basin, where there is a particular fragility to the kinds of economic or ecological systems that exist in these areas. Is the Minister aware or is the department itself doing anything to both analyze those kinds of developments and determine whether there should be any intervention of any kind to try to protect the environment against that kind of development?

MR. CHAIRMAN: The Honourable Minister.

MR. RANSOM: I am not aware of any specific studies of that type beyond, well the studies for instance that are in relation to the East Selkirk problem. Now, that is a study after the fact when a problem is already in place and there is some investigation of it.

Perhaps it is relevant that the Provincial Land Use Committee of Cabinet has recently been discussing land use guidelines which will have some interim application under The Planning Act and we'll be going through a process of discussion with the municipalities and with the public to see how applicable they are. But when those guidelines are firmed up, then I think that they will start to address the types of issues that the honourable member raises.

MR. AXWORTHY: Mr. Chairman, I am again pleased to hear the Minister make his quasi announcement about that particular development. I wonder if he would be prepared to answer some further questions about it. I know that it is a matter under discussion with the Committee, but the Provincial Land Use Committee of Cabinet, have they designated any areas and specifics that they are beginning to look at for the introduction of land use guidelines? Is it something that would be provincial-wide in application, or are they honing in on the particular areas adjacent to the City of Winnipeg which are undergoing that major configuration of sprawl and development, particularly

ranging up to the Selkirk area and out towards Headingley and Steinbach and then I guess the Ritchot and Springfield areas? Are there specific designated areas that are being reviewed? That would be one question.

I think the second question would be whether there is any investigation presently being done in terms of the water carrying capacity of these areas. It would seem to me that because of the particular ground structure in these areas that the problem of waste disposal and ground water capacity would be of particular note. Can he indicate whether there has been any assessment done in those areas to determine what the damage thus far has been and whether there is any kind of elasticity or flexibility in the carrying capacity of those particular regions?

MR. RANSOM: To the first question, Mr. Chairman, the policies that we are looking at are of general application rather than specific application. I would have to enquire about any specific investigations with respect to the water resources that the honourable member refers to, although I do know that there are maps, for instance, that show the suitability of particular areas for disposal fields. That sort of thing already exists in some areas but I would have to have some further investigation into that question. Perhaps we can answer that one and the previous question when we come to the salary discussion later on.

MR. CHAIRMAN: (d)(1)—pass — the Honourable Member for Flin Flon.

MR. BARROW: Thank you, Mr. Chairman. Pollution — I think this is the last chance we have to speak on it and pollution to me is very important. I spent 33 years underground, 18 as a coal miner, 15 as a hard rock miner and pollution was a real problem to us. A good example of pollution and what governments do about it or don't do is Flin Flon. For 30 years, Flin Flon suffered from both air and water pollution and people who suffered from silicosis, bronchitis, asthma, lung diseases, very often couldn't even leave their homes. On a wet day without wind they were tied in, and the Conservative member, you know him — maybe the younger ones don't, the older ones do — Buck Whitney, and when they asked him about pollution he had a standard answer. He said, "You can't get meat without bone, or coal without stone," meaning you couldn't earn a living without accepting some of this pollution. It was a cruel attitude of your Conservative Government.

In 1969, when we were elected, I arranged a meeting with Dave Robertson, a famous Conservative, and two members from the Union, and I asked him two questions, and he gave me two answers. It was a very brief meeting, about two minutes. I said, "Mr. Robertson, what are you going to do about pollution?" He said, "Nothing." I said, "Why?" He said, "Too costly." Exact words. But this government passed legislation that they had to cure the air pollution within a matter of one or two years. I don't know how they set the standard, but it was .8, and then the Feds came in and they made it twice as strict. So the corporation finally agreed to build a stack of 450 feet, and in the House one day I asked the Minister Rene Toupin, what would happen if this didn't pass standards. He said, "Well, we will give them so much time to cure it or we shut them down." So the stack went to 650 feet, that dispersed it over a bigger area, so the pollution when it hit the ground wouldn't be as dangerous. But then they had second thoughts and they built the stack 850 feet some feet — I think it is one of the highest buildings in Manitoba — and we cured air pollution.

Then we had a water problem, tailings going into a lake in the middle of the town, a beautiful lake right in the centre of the town — tailings. They would go down the streams and rivers into Lake Athapap, and down the streams of some of the best trout fish in this world, and they were dumped in there haphazardly. We stopped that too, Mr. Chairman, and now fish are coming back into that little lake, and muskrats. It is going to be alive again some day.

Now, Mr. Chairman, Snow Lake, of course, are building a new mill, a multi-million-dollar mill, hiring fifty-some employees. Before they started they had the Commission in there. It was amazing the people who came up there to talk against pollution — trappers, fishermen, teachers, everyone except miners. Because the miner knows if he talks against the company his days are numbered, his promotion is done, and you get rid of him. At none of these meetings did miners speak up, not one of them. Their wives did, their sons did, but not the miners themselves. They always had this fear. But they have met and they have aired their views and hopefully they will follow it out.

But during the last campaign in Flin Flon — the Conservative candidate was there, in Snow Lake, he didn't attend this meeting at all. He didn't show up. The Member from Thompson came to say a few words, and all he talked about was about some reserve, north, and fish, anything but what to do with this problem. Of course, it was quite clear to any NDPers there, or anyone that had any sense, he wasn't going to talk against the company and he wasn't going to talk against the Union, so he walked right down the middle, that middle line they call it — the yellow line I think it is. The Member from Flin Flon, the Conservative member, didn't even have the guts and the courage to show up — Mel Hyndman was his name. He didn't want to get involved in anything that was controversial and this is why possibly that he didn't do so good in my area.

You know, Joe Borowski was famous. One day in this House he said, "I would rather be a horse thief than a Conservative." I would say Joe Borowski had no choice, no choice at all. What I would hope is that this government would follow the example that the NDP government has set, and for once be men. Thank you.

MR. CHAIRMAN: (d)(1)—pass — the Honourable Member for Rupertsland.

MR. BOSTROM: Thank you, Mr. Chairman. I don't know if this is the section that deals with Environmental Impact Studies or not, but I think it is under the general heading of Environmental Management. I would like to know from the Minister if his department is undertaking or has undertaken, or will be undertaking an Environmental Impact Study with respect to the proposed condominium development on Whiteshell Lake, which has been discussed in the Legislature recently. I am sure that the Honourable Minister must be aware of it just through the comments made in this Legislature, if he has not been made aware of them by his colleagues.

MR. CHAIRMAN: The Honourable Minister.

MR. RANSOM: Mr. Chairman, that question was raised earlier this afternoon and I undertook to investigate that and have an answer.

MR. CHAIRMAN: (d)(1)—pass — the Honourable Member for Rupertsland.

MR. BOSTROM: Well, Mr. Chairman, I understand from the Minister's comment then that he will be investigating this. Can he give us any indication if he has been requested by the Department of Tourism to undertake such an Environmental Impact Study?

MR. RANSOM: Mr. Chairman, I assured the House that I would investigate to see whether any request had been made with the Assessment Agency, and that I will report back at least before we get to the matter of the Minister's compensation, and be able to discuss it.

MR. CHAIRMAN: (d)(1)—pass; (2)—pass; (d)—pass; (e)(1)—pass; (e)(2)—pass — the Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I would feel neglectful if I allowed the submission on the Environmental Council to pass as the former Chairman of the Manitoba Environmental Council I feel certain vested interest in arising to it — (Interjection) — At least to listen to it, that's right. I think that in its time, Mr. Chairman, this Council has played a very useful role, and I would like the Minister to explain how he sees the Council operating in the future and what kinds of terms of reference he would see for it in terms of kind of advice and support that the government is prepared to provide this Council; particularly as I understand that there has been very few appointments made recently to fill out its ranks, and whether the Minister has any intention of expanding the role of the Council, giving it any further support than it has had up to this present point in time, and how the Minister himself sees his relationship to the Council?

MR. RANSOM: On the matter of appointments, Mr. Chairman, I believe that there is something like 87 members appointed to it, and I have approved the various appointments that have been placed before me in terms of representing specific organizations, so there has been no diminution of the appointments, that it is rather a large body. In terms of the role of the Council, I have had two or three occasions to discuss with them what their possible role might be. I believe under the Act they are established for purposes of advising the Minister with respect to the application of the Act.

Now I know that in the past they have operated with some considerable latitude and it seemed to me perhaps to go beyond the role of advisor to the Minister. I have expressed some concerns in that regard to the Environmental Council because I feel that there is rather a difficulty between advising the Minister and being an advocate of a particular course of action. But as I say, I have had two or three occasions to have discussions with them and I have recently asked them to undertake some investigations for me or give me some recommendations with respect to environmental standards and how the question of establishing environmental standards might be addressed, and that approach was well received by the Council and we will continue to attempt to work together in an effective fashion.

MR. MR. AXWORTHY: Mr. Chairman, I have one specific question for the Minister. I notice in the Estimates Book that the salary allotment has been reduced by \$2,000.00. I believe that there was one full-time staff member available to work with the Council as a co-ordinator or executive director. Does that salary reduction indicate that there is a change in the staffing arrangements for the Council, or heaven forbid that the executive director has had his salary reduced? Perhaps the Minister could explain exactly what the staffing arrangement for the Council will be, whether they will still have the full-time person available to them for those purposes? And I would ask perhaps a more general question arising from his remarks and that is the degree to which he accepts a public role for the Council. I understand by his statement that he looks upon the Council primarily as an adviser to him. I would hope at the same time that he would accept the role of the Council as a forum in which environmental issues can be discussed in a public way, so that it's one of the few opportunities for the general community to have environmental issues raised and debated and discussed and to be informed by it.

I would assume, or certainly strongly urge the Minister to allow the Council to continue in that public role and to choose the topics for public airing according to its own discretion, not to simply be

allowed or restricted by what the Minister directs it to examine. I would ask him to clarify, considering that this is his first Estimates statement, exactly how he sees the public role of the Council and whether it is to be one that can be a fairly wide open forum for the discussion and dissemination of opinions about a variety of environmental matters as determined by members of that council.

MR. CHAIRMAN: The Honourable Minister.

MR. RANSOM: With respect to the salaries, Mr. Chairman, there was apparently an over-allowance previously. The same person is serving as executive secretary and under normal salary provisions.

And with respect to the public role of the commission, Mr. Chairman, as I have said to the Council, I have some reservations about it but I'm quite prepared to see how useful the Council can be before making any kind of a change in the direction that it takes.

MR. CHAIRMAN: (e)(2)—pass — the Honourable Member for Inkster.

MR. GREEN: Mr. Chairman, with respect to the item that we're dealing with and to the dialogue that's taking place between the Minister and the Member for Fort Rouge, may I suggest that I believe that the Member for Fort Rouge is essentially correct in that the Environmental Council can only be effective to the Minister and provide a satisfying role for the people who are participating in it, on the basis that they act in all respects as an autonomous organization who will generally be in an advocacy position rather than a consultative position. Therefore I think that the Act is probably a misnomer when it refers to advisory capacity. They are advising but they are advising in a fairly confrontation, in many cases, sense.

I think that that is healthy. I think that the Environmental Council should play the same kind of role as the Canadian Consumers Association, the Safety Councils, the various citizen groups, that provide an opportunity for citizens that are directed in that area to participate in a fairly high-profile public manner.

And I think that if the Minister does anything to try to inhibit that, that he will perhaps save some embarrassment from time to time, but the real purpose of the Council will suffer. Now that by no means goes to say that I believe that the Minister should be paying an inordinate amount of heed to the recommendations that come from the Environmental Council. I think that they are entitled to certainly be heard and to have their recommendations given serious consideration. On the other hand it must be understood that they are a group who are sincerely interested in, essentially, a discipline which is heavily oriented in one direction and they can never hope to achieve in action the courses that they pursue; and therefore, if I have had any criticism of the Environmental Council, it's on the basis that unless you do what they say they regard the government as being a foe and an enemy and have so conducted themselves from time to time, but that seems to me is fair game. It doesn't reduce the effectiveness of the Minister. It does, to some extent, reduce the effectiveness of the Council because it hurts their credibility.

Generally, on political grounds, when the Environmental Council wishes to engage in that type of dialogue — to use an euphemism and to put it to its most charitable form — I think that the Minister is in a much superior position because they do tend to overstate their position from time to time.

However, I do think that a group of that nature should exist, and in that connection I have expressed to the Environmental Council year after year the proposition that the government felt obliged to provide the inspirational financing for such a group to commence its activities. I think the further they are moved from government, the better. And in this respect — and they might not like this but at least I believe that I'm being consistent — they should receive as little financial assistance from the government as is possible and ideally they should be able to finance themselves from like-minded groups and industries and trade unions or whatever appeals are available to them in the community.

To do otherwise is to run the danger of them being of the opinion that they are funded by the government and therefore must become a more closely identified group and I sometimes smiled when the Environmental Council who are quite outspoken in their criticisms which they have the right to be, also sought credibility on the basis that they were the advisers to the Minister and so presented themselves in front of various groups who did not understand what that meant because when a person stands up — "I am the president of the Environmental Council, adviser to the Minister of Mines and Natural Resources on environmental questions," the tribunal often got the impression that they were there with the status of the Minister which to me was rather a paradox because on most occasions they were diametrically confronting the Minister at the same time as they were using that credibility before the tribunal that they were appearing.

So, ultimately I do think that it is best that citizen groups of this kind try to obtain their financing other than through the government. I guess I could relate it to my argument against the public financing of private and religious schools. I think that this ultimately works to the detriment of those organizations because they get to depend on government for their position and once in a dependency position they do interfere with the integrity of their own position. However, that's probably another argument perhaps for another day, hopefully not at all, that's right.

But, in a very miniature form, I tried to impress upon the Environmental Council that it is not in my view in their long-term interest to seek expanded financing from the government. I am rather surprised that you say that we had a salary allowance which was higher than the amount which was received because they continually attended at my office and told me that given inflation they are giving much less money than they received and I had tentatively agreed that I would try to keep pace

with inflation, although I didn't necessarily agree with the principle. I did tell them, and I tell the Minister this so that if he needs it as an excuse, which he doesn't, but if he does he can use it, that it was my intention expressed on many occasions that the Manitoba Environmental Council having been given that seed financing was expected to be a citizen-oriented group that could receive funds from like-minded people in the community.

I wish to say to the Minister, that I, for one, would be disappointed if the Manitoba Environmental Council became what the Environmental Council is in other provinces, or at least in some other provinces, and that is a group of citizens who are there for the purpose of apologizing to the people for the actions of the Minister. I frankly think that the Minister should be able to deal with his own political problems and he should even be able to deal with some that are created by the Environmental Council and this by no means is a suggestion that he should discriminate against people for making speeches to the Environmental Council which I have never done.

MR. CHAIRMAN: (e)(2)—pass; (e)—pass; Resolution 82— pass. Resolution 82: Resolved that there be granted to Her Majesty a sum not exceeding \$4,017,100 for Mines, Resources and Environmental Management. Environmental Management \$4,017,100—pass.

Resolution 83: Mineral Resources 3.(a) (1) Salaries—pass — the Honourable for Inkster.

MR. GREEN: Mr. Chairman, I wonder if the Minister would at this stage review for us the status of the shared costs of public exploration agreements which the province has with various private firms in the province of Manitoba.

MR. CHAIRMAN: The Honourable Minister.

MR. RANSOM: The honourable member is referring to the agreements under 328? Mr. Chairman, the various agreements that the government had with the private sector under Regulation 328(74) I believe, whereby the private sector were required to submit programs to the government, exploration programs over \$10,000 to the government, the government could opt to participate in those agreements or proposals or they could reject them. I believe as a matter of policy the previous administration had been accepting all proposals that were submitted by the private sector. There were seventy-some agreements I believe, 91 agreements still in effect when we took over, they assumed government in October. Since that time we have transferred the — well, I should back up a little bit — there were some agreements that for reasons of restraint in December, programs that we opted not to participate in, some 12 agreements approximately. The rest of the agreements have now been transferred to Manitoba Mineral Resources and Manitoba Mineral Resources will be asked to review the various agreements and to protect the interests of the people of Manitoba in those agreements to the extent that they judge them to be worthwhile undertakings from the point of view of a hard-nosed mining operator.

The Manitoba Mineral Resources will be allocated an amount of \$2,500,000 in addition to their regular budget to deal with these agreements.

MR. CHAIRMAN: The Honourable for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I just want to ask one question of information from the Minister. I received several communications from geologists who are now former employees of the government of Manitoba, and I really want to enquire as to what the staff complement is at this present point in time of professional geologists in the department and whether those geologists who were let go worked for the Manitoba Mineral Resources Limited or in fact were members of the Department of Mines and Natural Resources. Could he indicate exactly what the complement was a year ago and what it is now, and particularly how many professional geologists have been let go by the government?

MR. CHAIRMAN: The Honourable Minister.

MR. RANSOM: There were four permanent positions of geologists that were doing site specific exploration within the department, not within Manitoba Mineral Resources, within the department; one of those retired or resigned the position and the other three were laid off as of the end of March. That's within the department.

MR. AXWORTHY: Well, Mr. Chairman, I trust that we are dealing in the area of euphemism when he says "laid off." Under normal terms that means they have an opportunity to come back when things get better. I assume in this case they have just been let go and the government doesn't intend to undertake that particular activity of the department anymore of establishing site inspections. If that's the case it relates back to the, I guess, somewhat larger question that they don't intend really then to be entering into any further cost-sharing agreements under the regulations and they have simply wiped out that part of the program. Is that fair to assume?

MR. RANSOM: I don't wish to mislead the honourable member by saying "lay off" if he interprets that as something that might have a recall because in this case the positions have been eliminated and we do not have any plans to reinstitute site specific exploration within the department.

MR. GREEN: Well, Mr. Chairman, I think that it is incumbent upon the administration to deal with alternatives and I appreciate fully that the Minister of Mines and particularly his administration because I am not all that certain about the Minister of Mines' own personal position vis-a-vis this particular area, but it is incumbent on the administration to tell us how they propose to do two things, (1) maintain an acceptable level of mineral exploration and development activity in the province of Manitoba, and when I say that, Mr. Chairman, I say it with the desire that there be some reasonable assurance that the objective is realizable and acceptable, and (2) how they intend, at the same time, to assure to the people of this province that they will be able to obtain a reasonable return from the development of those mineral resources and in this connection, Mr. Chairman, let me first of all deal with the position that the Minister is abandoning.

There is no mining company in the province of Manitoba that has jurisdiction over any mineral land in the province and to take the best example, the International Nickel Company has Order-in-Council rights over huge tracts of mineral resources within our province. I am 100 percent certain that the International Nickel Company in dealing with those huge tracts of mineral resources within our province would not let another mining company explore and develop on those properties without one of two things. What they would probably demand is an overriding interest on that Exploration and Development Program with no moneys advanced by the International Nickel Company of Canada. They would probably demand a share of any program merely for the right to another company to explore. But at the very least they would demand the right to be a participant in that exploration program and if my knowledge of the industry is not completely wrong, which it may be, but if my knowledge of the industry is not completely wrong, they would demand a share in higher proportion to the amount of money that they were putting up.

In other words, if the program cost a half a million dollars and was to take place on INCO property, INCO would get 50 percent without putting up \$250,000.00. I say that so that the Minister will be aware that the public of Manitoba, in dealing with the mineral resources under its jurisdiction, gave much fairer treatment to private industry mineral firms than would be given by these private firms to any of its brothers in the industry. That INCO would demand a much better deal than the Government of Manitoba, on behalf of the public, demanded for its citizens, which was that we put up 50 percent of the money and we receive a 50 percent interest in any development, but that that go hand-in-hand with moneys put up. We were prepared to accept the expertise and direction of the companies and to pay them an administration fee for that which was negotiated at a rate not unfavourable to the people, not unfavourable to the company.

And on that basis, Mr. Chairman, I wish to contradict any suggestion that the Manitoba Government was treating the mineral companies unfairly, and as a matter of fact they never said so, they never said so. The mineral companies' essential position with regard to the program was the following, and I'll try to state it as closely as I can the way in which they stated it.

They said, "We don't agree that the public should be a participant in these programs but if one accepts the philosophy of participation then the manner in which they are doing it is reasonable." But that was their position and that would be their position because the regulations for the most part were worked out with the industry and with very few exceptions they agreed, given the concept, with the content of the regulations.

I say this, Mr. Chairman, to dispel what has been the creation of a myth, that the climate for the mineral industry in the Province of Manitoba was less than satisfactory from the point of view of the industry. Indeed, Mr. Chairman, the Minister of Finance in his Budget speech, alluded to the fact that the climate for the mineral industry is infinitely better — that's what he said, infinitely better.

Now I don't know what the Minister is going to say in that connection. I suspect he will say nothing because my suspicion is that if he had to deal with it he would have to concede that the industry, although they didn't necessarily agree with the philosophy of the government, had to agree that two things were present. One, that on the incremental tax they have never paid one penny because the years have been such that there has been no incremental earnings. Our position was that only in extraordinary good years would there be any higher taxes; that in normal years the taxes would be exactly what they were under the law before it was changed and would be less than they were. The taxes would be less than they were when they were at the 23 percent level. So the change from the 23 percent to the incremental tax has in the last several years saved the companies money.

Now, Mr. Chairman, lest there be any suggestion that I am talking about this as being a favourable result, I'm not. According to the computer analysis, if the future years are good for the mineral industry, that money will come back. But certainly to date we have collected less than what we would have collected if we were operating at the 23 percent rate, not much less, but nevertheless, the incremental tax has not been levied against any company in our province. And that's with regard to taxes.

With regard to development, we had in the fiscal year just ended as far as I am aware — and I believe it to be the case still — a record in dollars spent on mineral exploration in the Province of Manitoba. That we probably had a total of something in the neighbourhood of \$16 million spent. That \$16 million was divided between public and private expenditures but that it is an all-time high for what would be a normal year — I'm not saying that it's an all-time high when you are on the verge of a huge discovery and make a tremendous investment on the basis of that discovery — but for a normal exploration year we were at an all-time high in exploration activity.

And I say that to the Minister because there rests a responsibility . . . high level of activity in the exploration field stems, Mr. Chairman, from the program of the previous administration.

Secondly, he comes into government in a period when our tax scheme has not in any way interfered with that development. Now, when we are talking about this record high level, I think that it should not be ignored, Mr. Chairman; that not only were we dealing with many many people in the private sector but that we were dealing with people in the private sector that never previously did business in the Province of Manitoba.

I know that this will impress honourable members. I want to hasten, Mr. Chairman, to indicate that it is not the most important part of our program as far as I am concerned. As far as I am concerned, the most important part of our program is that we told the people of our province that we would maintain a level of development.

The administration now has to satisfy the people of the province that that record of development in mineral activity will not be reduced. And I want, Mr. Chairman, for the benefit of honourable members who believe that the private sector in the mineral industry was avoiding Manitoba because of the nature of its government and the personality of its Minister, I want to read the names of some of the companies with whom the people of this province had entered into partnership in the exploration and development of our nickel resources: Aquitaine Company of Canada Limited, Bowden Lake Nickel Mines, Canadian Occidental Petroleum Limited, Consolidated Morrison Explorations Limited, Denison Mines Limited, Dome Exploration (Canada) Limited, Ducaex Resources Limited, Dupont of Canada Explorations Limited, Falconbridge Nickel Mines Limited, Granges Exploration. That name I will pause with, Mr. Chairman. That is a Swedish company. It's in the private sector. Much of its activities in Sweden were done in partnership with the Government of Sweden. It became a major company in the world in conjunction with just such a public private co-operation partnership program as was instituted in the Province of Manitoba this year.

There were many stories last year to the effect that Granges was very close to being able to prove out — and I did not puff this because I was always very cautious about these kind of things which raise expectations — but that Granges was very close to something in the Flin Flon area, which if correct, would certainly mean that the Province of Manitoba would have value for every penny that has been invested in the mineral exploration field.

I think that the Minister should tell us if there is anything further that can be expected in that particular area.

But let me go on, Mr. Chairman, and I'm not mentioning all of the companies. I'm being somewhat selective on the basis of names that I think would be more commonly known. Gulf Minerals (Canada) Limited, Marmal Nickel Mines Limited, Maskwa Nickel Mines Limited, McIntyre Mines Limited — and Mr. Chairman, the executive in charge of that company is Mr. Peter Caine who used to be with Sherritt-Gordon Mines Limited in Manitoba. Mid-North Uranium Limited, Noranda Exploration Company Limited, Shell (Canada) Resources Limited, Silver Standard Mines Limited, Union Oil Company of Canada Limited, United Sisco Mines Limited, Urangesellschaft (Canada) Limited and my most recent recollection — and the Minister can correct me if I'm wrong — was that we did enter into some exploration programs with Sherritt-Gordon Mines Limited, who had previously not engaged in joint exploration with the Province of Manitoba, but after a year's absence did return and started to engage in such programs in the area of Lynn Lake.

Now, Mr. Chairman, for these companies — some of which did not explore in the Province of Manitoba — the climate for exploration was not as represented by the Minister of Finance; because he says it was "infinitely better", that it is now "infinitely better", and I therefore charge the government with telling me that the level of exploration that was achieved, that they have some means of continuing because we were able, Mr. Chairman, to give that assurance. And we did it, Mr. Chairman, without compromising the people of this province.

There have been numerous conferences that I have been at where the mining companies of this country have made veiled warnings to the people of Canada, that if the people of this country try to obtain a greater return from the mineral resources of which they are the owners — something which the companies respect, they always try to do it and I give them credit for it; and I told them that I am merely trying to emulate them to some extent by trying to do for the people of this province what they do for their shareholders — but they made veiled suggestions that there are much more favourable places for them to go, such as Chile.

Now, Mr. Chairman, I want the Minister of Mines to tell me that the people of this country are not going to have to compromise the social, economic and democratic traditions of this country to make things nicer for the mining companies. I happen to think that this is a better place than Chile. I don't happen to think that I would like to have an "infinitely better" mining climate for the mining industry by shooting the democratically-elected president of our country 14 times in the head and then calling it suicide. If that's the kind of policy that the mining companies say is necessary in order for them to make investment, then, Mr. Chairman, we have to look very differently upon the future of this industry. And I don't believe, Mr. Chairman, that the mining companies really regard Chile as a better place; nor do I think that they ultimately regard some of the totalitarian regimes which have used inducements to the mining industry in order to get them to develop, as being really secure because what they can expect in those countries, Mr. Chairman, is that after they have made huge investments and after they have developed industry, that there is no assurance that some equally totalitarian group will not come and merely undo what had been done before.

And one thing that they had been assured by the New Democratic Party Government of the Province of Manitoba is that we do not believe, nor do we intend to implement the policy of "You

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make it, we take it." That was the policy of the Liberal Leader of the Province of Manitoba. He said, "If you want more money from the mining companies, all you have to do is take it. All you have to do is increase their taxes."

Mr. Chairman, that shows a lack of depth in economic thinking. And it also poses a question for the Minister when he is dealing with what I asked him to deal with, in indicating what is the mining policy of the Province of Manitoba?

I note, Mr. Chairman, that the "task farce," in dealing with every other issue, was fairly definitive about their position. But even the task farce, even those geniuses who give to the people of the Province of Manitoba to understand that they can do for the government better than they are doing in their own businesses, that they are able to cut expenditures here where they are not able to cut them at home, even they said that the province will have to maintain — and I'm paraphrasing — some involvement in mineral explorations so that there is an alternative and so that we are not at the mercy of one scheme of program.

Now, the Minister has indicated that the Manitoba Mineral Resources is the agency which has been given the jurisdiction to deal with these programs on a hard-nosed basis. You are putting Mr. Koffman in quite a difficult position. I think that he will wind up very close to where the department wound up, because there is nothing more embarrassing than the egg on one's face that one has when he says, I chose 8. I excluded 9, and No. 9 is the one on which there is a discovery.

The policy of the department was as follows: We are indicating that we want a partnership with the private sector. We are indicating that we want the initiative, aggressiveness and imagination and expertise of the private sector. That's why we want a 50 percent deal. We acknowledge and did acknowledge, Mr. Chairman, that by and large the aggressive, imaginative people in the industry were primarily in the private sector, not because it is written in stone that that's where they will be, but simply because that's where they were. Everything that has happened up until now has delivered those people to the private sector. There's no reason why they would not accept the same kind of challenge in the public sector and indeed, I am sure that the geologists in our department became every bit as aggressive, every bit as energetic, in terms of what they were doing in the past two years, as people in the private sector and that's probably my biggest distress — by the change of policy. That we had put pride into a whole group of people which ultimately would have resulted in those people realizing much greater potential; that as a result of a significant change in policy a whole group of people will be maintained at a level — I'm not going to use the word "mediocrity" — but named as mediocrity by the people in the private sector who have always ridiculed, always laughed at, always derided, always regarded as less than competent, those people who happened to take geological positions for the public as against the private sector.

That's probably the most distressing feature of the policy which the Conservatives have a danger of approaching, although I am hoping against hope that they maintain some pragmatism and that with slight modifications which I know they are ideologically driven to that they maintain that potential in the public sector; the one which they are most ideologically driven to is that they will not insist on being partners, as Inco would, as any private company would. They will say that a private company can engage in an exploration program on our property and we would not be able to insist on a partnership. All we could achieve in the event of a development would be our royalty, which of course we would be entitled to, in any event, and which an owner of land is always entitled to. Even the farmers who let people on their property in southwest Manitoba demand their royalty which is something that the owner is surely entitled to.

Now, Mr. Chairman, the most important feature of the policy of the New Democratic Party — the previous government — which I'm not pushing on this Minister, I'm asking what is going to replace it, is that the integrity of the taxation program cannot be sustained without a program of public involvement. The industry will continually say to you, as they must say to you, that if you want more activity, we want more concessions. Your taxation rate is 15 percent, we want you to bring it down to 8; we want you to give us fast write-offs, we want you to give us immunities on the first years of activities and there are innumerable different forms of concessions which the industry will demand.

And if the Minister says that mining activity is going to be dependent on the private sector, he will have no choice, no choice at all but to provide those concessions. When that happens, the people of Manitoba will be the losers both ways. They will lose the revenue that they are able to obtain from the taxation program and they will lose the potential revenue that they had been getting in the investment program.

Over the years, Mr. Chairman, since we raised the tax from 7 to 15 percent, it is significant to note that every penny that we have spent in mineral exploration has been substantially made up by mineral taxation in excess of what we have been receiving under the previous government's policy.

Now that probably wouldn't hold true starting this year unless we found something, because the taxes are away down. I noticed that the anticipated revenue may be \$3 million this year which indicates very low expectations from the mineral resource industry and that has to do with prices; that has nothing to do with the reduction in tax. The amount of moneys are very low and therefore it probably would not pay for our mineral exploration.

But in the long run, Mr. Chairman, unless we were in a perpetual down-turn and unless all of the mining companies who have invested in our province have invested without any return whatsoever — and I don't believe that to be the case — I believe that something that is happening is going to result in return and the Minister loses both ways. He loses activity and he loses revenue.

The previous program assured activity and it protected those revenues. And I don't expect —

although I secretly hoped that there will be some semblance of continuance — I don't expect a continuance, but I think that we have to have some explanation from the Minister as to maintenance. What is his proposal for maintenance of a level of activity and ensuring a decent revenue from the royalty returns?

MR. CHAIRMAN: The Honourable Minister.

MR. RANSOM: Mr. Chairman, I think the position of the Conservative Party and now the Conservative Government is reasonably well-known with respect to what our approach was going to be and is going to be with respect to mining. I believe that two of the principal themes that were followed were that we would attempt to make the climate for mining competitive in Manitoba with other parts of the country. We said that we did not think that it was the place for government to be directly involved in competition with the mining industry.

I believe it's been said a number of times in the Chamber that we do believe in a mixed economy, but that the extent of that mixture I guess is what is at question, and that we do not consider that the compulsory approach of the previous administration was an appropriate or an acceptable one. We have said that we will, in fact, end that particular type of approach.

The honourable member has asked a couple of very appropriate questions in terms of how do we plan to maintain, or see maintained, a satisfactory level of exploration in the province! and how do we see the people of the province getting a return from the mineral resources? I cannot, at this time, say that there has been any change in the amount of exploration taking place because there hasn't been a suitable amount of time yet to see what kind of impact a change in policy might bring about, because the mining exploration that took place during this past winter was basically planned in the previous summer.

We certainly have indications from some exploration companies that they will be back doing exploration in Manitoba that were not doing exploration here before. That is, at this stage only an indication that they will be back and we'll have to see whether that will be translated into actual exploration.

My understanding is that the amount of exploration that takes place will depend, to a very great extent, on what the mining companies see as the long-term climate for investment in the province. That they are not concerned quite so much with the short-term considerations of write-offs, etc., but what the long-term prospects are because of the nature of the length of time it takes to find a deposit and develop it into a producing mine.

And as I indicated in my previous remarks, Manitoba Mineral Resources is continuing with its ordinary program of work in addition to maintaining the interests that were established in exploration agreements.

We believe that there are exploration dollars available outside of the province, perhaps from companies that don't have a presence in Manitoba and Manitoba Mineral Resources can serve as a vehicle to attract those outside dollars on a true joint-venture type of exploration in the province.

As far as the investments that go into exploration, I think that the Honourable Member for Inkster is quite aware, I know he's quite aware of the projections, the figures of \$25 to \$30 million, more or less, on an average that's expected now has to be invested in exploration before one has a reasonable chance of finding a producing mine. But certainly it is not beyond the realm of possibility to spend many times that amount and not — or less — many times that amount or less and not find a mine. And I must say that it concerns me and it concerns a lot of the members on this side of the House to think in terms of investing taxpayers' money in mining exploration and some of the money I suppose in times of heavy borrowing, we can consider that some of that money is being borrowed to put into mineral exploration.

And at the same time we are facing restraints in areas such as the protection of the environment; an area that is, in my view, clearly one of government responsibility, that requires government attention and to be diverting taxpayers' dollars into mining exploration is, in our view, a questionable undertaking.

Now in view of the acceptance of the idea of a mixed economy, then on the other hand we are saying we have to in fact maintain the vehicle to put up some taxpayers' money in order to attract additional money into the province as well.

In terms of how do we plan to obtain a reasonable return to the people of the province, then we believe that that is best done through a competitive system of taxation; that the developments are carried out by the private companies and that the government, the people's interests are protected through taxation.

And I quite agree with the honourable member when he says that the policies of the new administration must, in time, be shown in fact to be in the public interests, and I am confident that that is going to be the case. At the moment, of course, it is clearly too soon to be able to make that kind of judgment.

MR. CHAIRMAN: The Honourable Member for Inkster.

MR. GREEN: Well, Mr. Chairman, I think that the Minister's remarks are fair enough. What he tells us is that he cannot, other than express the faith that what they are doing is the right thing

I think that the Minister has to have some courage to say that because it has never proved to be satisfactory in the past. And if there is one thing which all Manitobans agreed with — and I would say

the Manitobans in his constituency — was that we were not getting a fair return under the previous system which we have had before and which I am sorry I can't give the Minister the figures on at this moment, but on years where the industries made in the neighbourhood of \$150 million, the return to the province of royalties were in the neighbourhood of \$3 and \$4 million.

I think that one thing which was the subject of relative unanimity is that there had to be a better way and what the Honourable Minister is merely saying is that he's going to give the old way a try and that he cannot say what will happen because the mining companies have to look — and I'm paraphrasing him — at the long-term prospects rather than at the immediate.

What we do know, Mr. Chairman, is that in a very short space of time the mining companies responded very favourably to exploration opportunities in the Province of Manitoba and, therefore, — and this is significant by the Minister's own definition — must have had some confidence in the long-term prospects of the province's program in order to respond as quickly and in fact much more enthusiastically than I expected that they would, to the 50 percent program.

So the Minister is telling us that we will have to have faith and he hopes that things will work out.

I was, Mr. Chairman, able to be much more concise to the people of the province. I said that the level of activity will be maintained.

And let us not forget when we are discussing this problem, that four out of five constituencies in northern Manitoba did support the New Democratic Party candidate. It's true that in Thompson, which is the major mining company, we did not succeed. But I will warrant to say, Mr. Chairman, that it had not to do with our mining policy because in Thompson the Mining Exploration and Development Program was not operative. All of the area around Thompson was under Orders-in-Council leases, where we had no exploration rights, none at all.

Well, Mr. Chairman, it's okay to rely on faith until it doesn't work.

I suppose that what we have to do is let the years pass judgment on this program, and that's what the Minister has requested and I think that that's fair enough. He has been quite concise and frank in stating position and I don't think we can expect any more.

I do want to indicate, Mr. Chairman, that his statement with regard to taxpayers' money is, at least at this point, not accurate. In order to maintain the tax program, you have to have the exploration program. If we did not have the exploration program, we would not have had the increased taxes. The increased taxes that we did get more than made up for — at least up until about a year ago — the amount that we were spending on exploration. Therefore, the taxpayers did not receive less money, but rather stood financially ahead by this composite program.

That taxpayers' money that the member is talking about was not available unless we were in a participation program. The 23 percent was not available, the incremental tax was not available and the 15 percent was not available.

The Honourable Minister should recall that when the New Democratic Party came into government the tax was between 7 and 8 percent, it was not 15 percent. And those increased taxes would not have been available if we had not indicated that we were ready to pick up any slack that was left over.

The most dramatic example, Mr. Chairman, of this type of suggestion came from the Thompson newspaper, which stated what was in fact untrue, and that Falconbridge Nickel Mine had closed their mine at Clarke Lake and were not developing because of our tax policy.

Well, it wasn't true, Mr. Chairman, but in view of the fact that the Thompson paper raised it, we advised Falconbridge Nickel Mine that if that's the reason there was no development, then there was going to be development, that the people of this province would not stand by seeing a nickel deposit go undeveloped because somebody was trying to avoid paying taxes. And it was quickly explained to the Thompson newspaper, by no less than Falconbridge, that that was not the reason, that was not the reason, that the program wasn't developed, that the economic conditions and the size of the ore body were the reasons why it wasn't developed at that time.

The Minister also has to deal with a contradiction when he says that the taxpayers' money should not be used. For years taxpayers' money has been used in exploration programs. The geological surveys are conducted solely at public expense and then, Mr. Chairman, after they are conducted by the public who pays for them, the private companies have the maps opened and they have been able to make use of public expenditures, not vice versa, they have been able to make use of public expenditures for their own development.

So I am certain that the Minister is not discontinuing the geological surveys and rather than doing them on a businesslike basis — to use a favourite expression — "To bring business methods into government" no businessman would behave the way the Minister is behaving. If you will follow the rules of businessmen, then you will say that the public moneys if they are expended should get a public return from that expenditure. And if we do the geological surveys, then we should have a participation to the extent that we are paying for those surveys, and we don't. And that is taxpayers' money, and that was spent by the previous administration, continued to be spent by our administration and, no doubt, will be spent in the future.

But on the whole, Mr. Chairman, I accept the Minister's explanation. I note that there is a ray of hope that he hasn't undone the program. He says the compulsory aspect has been discontinued. It will be interesting to see how many companies don't voluntarily seek public participation, because they did prior to the regulations being enacted. And the big reason that we made it compulsory that we take an interest, and did take an interest, is because, Mr. Chairman, we wanted to treat everybody equally. And certain companies would come and ask for our money and if we went along with those

and not with others who didn't ask, we would be in the position of the public patsies. We would be going along with the less promising programs and not having a right to participate in the more promising programs.

Well, that principle of public participation is exactly to the opposite of bringing business methods into government. And since we operated on business methods, we wouldn't do that. The Minister operates on other than business methods. It remains to be seen — although certainly from a point of view of experience I am satisfied that two things will happen. That, number one, we will not maintain the level of exploration and developmental activity, and secondly, we will lose revenues. And the two positions are stated, Mr. Chairman. I am satisfied to argue them before the public of this province and to be able to gauge my argument by pragmatic results of the past — the previous Conservative administration, the previous New Democratic Party administration and the present Conservative administration.

MR. RANSOM: Mr. Chairman, the honourable member asked me previously about the Granges Site near Flin Flon and I guess the most I can say at the moment is that it is a promising situation, but I do not believe that our people have yet been made completely aware of the results from this previous winter's exploration activities.

MR. GREEN: I wonder if the Honourable Minister will permit an embarrassing question?

MR. RANSOM: Why not? You will ask it anyway, won't you?

MR. GREEN: Yes, I will. Will the Minister be happy with the fact that he and I as members of the public are participants in a major discovery of minerals in the Province of Manitoba?

MR. RANSOM: If that in fact turns out to be the case, Mr. Chairman, it would be something akin to the Winsday Lottery, and we would be very happy to have won on the lottery.

The honourable member has said that I am being rather indefinite in my statements about what might happen in the future, that I appear to be going on faith, etc., and I will readily admit that I am reluctant to make definite statements about what might happen. I do that, I think, rather advisedly, if I may read a couple of quotations from some publications that I find within the department, then I think, Mr. Chairman, that you will see how one can get oneself in difficulty by making these hard, fast predictions.

This is a summary of the report on the Task Force on Manitoba's Mineral Resources, which was submitted to the former Premier of the province. In one paragraph it refers to competitive taxation policies within the provinces, and then it says, "However, with the rapid growth of the world's industrial economies, and of the less developed economies, steeply increasing demand for metallic minerals is almost inevitable."

Well, Mr. Chairman, that was some years ago, that was November, 1973. I think that the honourable member will have to agree that at the moment, with the economic situation that exists in the mining industry today, that that sort of hard, fast statement is rather difficult to substantiate. — (Interjection) — Yes, given some time.

It is somewhat similar to a paragraph here in the Report on Natural Resources Policy in Manitoba by Professor Eric Kierans, in which he says, "It would be completely feasible for Manitoba to change its resource policy to one of development by Crown corporations. The rewards would be substantial in a world of increasing demand and declining supply. Manitoba has resources that are in demand, and, in addition, the people and skills to develop them. Capital requirements at the outset are relatively small and, as we have shown, and because of the high profit ratios, the process of capital formation swiftly becomes self-generating. Beyond the initial capital, all that is needed is decision and determination."

Well, a little decision and determination, and self-generating capital under the mining situation that exists in the world today, Mr. Chairman, I rather think that the people of Manitoba would have difficulty in accepting that situation.

MR. CHAIRMAN: The Honourable Member for Flin Flon.

MR. BARROW: I just want to ask a question or two, Mr. Chairman. Is the Honourable Minister aware that they have a find there four miles from Flin Flon, supposedly of more value than any ore body found previous to that? And is the Minister aware that many people in Manitoba think that that ore belongs to all Manitobans, and not to corporations? And if the Minister is going to get rid of these ore bodies found, how do you value them? How do you get rid of them?

Is the Minister aware that the corporations and all geologists don't want the government in this game, because they realize it's very profitable.

MR. RANSOM: Well, I can't accept a couple of the honourable member's premises, Mr. Chairman, but I can tell him that I am aware of this particular find. That is the one the Honourable Member for Inkster and myself just referred to a few moments ago. And earlier I had said that the interests that the government had in that particular find would be transferred to Manitoba Mineral Resources for them to handle, and I have considerable confidence that that organization will certainly protect the interests of the people in that particular find.

MR. BARROW: Has the Minister read the Keirans Report?

MR. CHAIRMAN: The Honourable Member for Churchill.

MR. COWAN: Yes, Mr. Chairman, thank you. I note with interest, in speaking about this alleged or proposed find in the Flin Flon area, that the Minister likened it to winning a lottery, that he would be satisfied if the find did turn out to be a realistic and profitable find, and that it would be, again, akin to winning a lottery.

I ask the Minister if he is familiar with the lottery procedure of Winsday?

MR. CHAIRMAN: The Honourable Member for Churchill.

MR. COWAN: I assume he is; it was a somewhat facetious question. But the point I am trying to make, Mr. Chairman, is that in order to win that lottery the Minister would have to purchase a ticket. And if he is going to be unsatisfied with the participation of the province and with the economic benefits of that participation, then he will indeed have to participate.

So I am asking him if he feels that this is a satisfactory conclusion to an economic experiment, would he be willing to try other economic experiments of the same nature?

MR. RANSOM: No, Mr. Chairman, because I consider that the shots are too long.

MR. CHAIRMAN: (a)(1) Salaries—pass; (a)(2)—pass; (a)—pass; (b)(1) Salaries—pass — the Honourable Member for Inkster.

MR. GREEN: Mr. Chairman, in view of the fact the price of oil has, in the past six months, advanced from roughly — I'm hoping that the Leader of the Opposition is listening so he can help me — from roughly \$8.50 to almost \$12.00 — the price of crude oil in the last, let's say, year. — (Interjection) — All right, \$10 to \$11, from something like \$9.00. In any event, it has advanced considerably and the companies' price of oil in 1973, I believe, was \$2.75 a barrel. And there was one increase in the royalty arrangement, which was based on escalating the price, but which still leaves a much higher return on basically the same investment to the oil companies. Even the Member for Virden last year complained to me that all this tremendous returns with no new investment, the farmers were not getting anything out of it, that there should have been an opportunity to review the lease arrangements. And I did say that I would look at it, but I didn't stay around long enough to have a long look.

But is there anything that can be done to look at Manitoba's royalty returns? We were examining it last summer. We did not proceed with any change. Would the Minister consider that there is room for a change in terms of the increased prices?

MR. RANSOM: Well, the matter is under active consideration at the moment, Mr. Chairman. Actually, we have had an opportunity to look at some of the same proposals that the previous administration was looking at, and I'm just not in a position to make any announcements in that regard at the moment.

MR. GREEN: Mr. Chairman, in view of the fact that there was a major exploration — I think it would be proper to use the term "discovery" — in North Dakota just southwest of the Manitoba border and — although I say this facetiously, I wish to underline it — in view of the fact that there is now a very good "climate", has there been increased — and I would think there would be — activity in Southwest Manitoba in the area of that particular find?

I want to tell the Minister that I believe that there would be increased activity under a New Democratic Party administration, under those circumstances. Has there been such activity under the present administration?

MR. RANSOM: Yes, Mr. Chairman, there has been, particularly in terms of leasing of freehold mineral rights, at the moment. There was some seismic work that was under way; I believe it was planned prior to the actual discoveries at Sherwood in North Dakota. The principal activity, as a result of that, has been leasing and we certainly are led to believe that leasing is going to be transformed into an actual further exploration activity in the coming year or two.

MR. CHAIRMAN: (b)(1)—pass; (b)(2)—pass; (b)—pass; (c)(1)—pass — the Honourable Member for Inkster.

MR. GREEN: Mr. Chairman, there is a very important area under this appropriation, and that relates to mining inspection at Flin Flon.

We were all astounded, Mr. Chairman, to find last year that the Manitoba Court of Appeal made a decision which indicated that not only labour relations at Hudson's Bay Mining and Smelting Company are covered by federal laws, but that no Manitoba laws, no Manitoba laws of any kind can be applicable to Hudson's Bay Mining and Smelting Company, in that it is a federal works and undertaking.

And I say, Mr. Chairman, that when we deal with it, what they are saying is that Hudson's Bay

Mining — I ask the Attorney-General to tune in — regards itself as the same as CNR or CPR, or the Port of Churchill Harbour, that our wage laws would not apply, which was probably somewhat of an understanding in terms of the industrial Industrial Disputes Investigation Act. But neither would laws, let us say, with respect to Pharmacare, with respect to companies participation in Medicare, or with regard to any laws which a federal work and undertaking could exempt themselves with as being under federal jurisdiction.

The history of this matter is rather peculiar. In the war years the Federal Government passed PC1003, which was an Industrial Disputes and Investigations Regulation, which applied throughout Canada as part of wartime regulations. And all labour regulations were under PC1003; it wasn't under Manitoba Labour Relations Act.

When Manitoba came and enacted the Manitoba Labour Relations Act, T.C. Douglas and, I believe, D.L. Campbell or I think it was perhaps C. Rhodes-Smith, said that we can't have one bargaining unit in the Manitoba side of the border and another bargaining unit on the Saskatchewan side of the border, so we want the Federal Government to pass a law that said that for labour relations for the purpose of collective bargaining, conciliation and disputes, etc., Hudson's Bay Mining and Smelting Company at Flin Flon is a federal work and undertaking.

The statute then said that for the purposes of that it is a federal work and undertaking. And then there was another section which dealt with Workmens' Compensation, I believe. But until a year ago, I believed that it was generally understood that all other laws of the province governed. And indeed, there was no mining inspection by the Federal Government for all of those 30 years. Mining inspection and mining regulations were the regulations and inspections enforced by the Province of Manitoba.

In 1977 there was a prosecution under the Manitoba Act. The company took the position that they weren't bound. They succeeded in Magistrate's Court; they succeeded in the Court of Appeal, with the effect that his mining inspectors and Manitoba mining regulations are not operative in Hudson's Bay Mining and Smelting Corporation. And theoretically there were no regulations in Hudson's Bay for a period of 30 years, or some 30 years.

Now, we immediately communicated with the Prime Minister, the Leader of the Opposition communicated with the Prime Minister of Canada, saying that that was never the intention. It was intended that this would apply only for the purpose of collective bargaining. I believe that the Prime Minister agreed that that was the case, and indicated that action would be taken to correct this situation.

Now, Mr. Chairman, I don't mind if federal mining inspectors are the inspectors and pay the administration for Hudson's Bay Mining and Smelting Corporation. That was never a problem with me, and I told the federal department that. But I did not agree that the normal laws of the Province of Manitoba did not apply to Hudson's Bay Mining in a different way than they applied to CNR, because the honourable member will be aware that with regard to the CNR, for instance, what we have said is that the employer must return the medicare premiums that he had been paying to the employee when we went out of the premium situation. CNR said, "That's not enforceable on us. Your laws don't apply in that connection." And I believe that they sustained it or negotiated around it.

But I consider it unsatisfactory that the citizens at Hudson's Bay and Flin Flon should not have laws applicable to them — the normal laws of the Province of Manitoba — except insofar as collective bargaining is concerned. I wonder whether the Minister is on the road to advising that there is going to be a change in that situation?

MR. RANSOM: I'll have to get an update on that, Mr. Chairman. I recall some of the correspondence in the first month or two, but since that time I have not been exposed to that. I will have to get an update and report on that.

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

MR. GREEN: I'd like to know what mining inspection regulations are being enforced, and by whom, at Flin Flon. I do not wish to leave the Chamber . . . I do not wish to; I may have to, but I do not wish to have the people of Flin Flon not advised that there are rules applicable to Flin Flon with regard to underground mining, that there are inspectors, and that there are ways of enforcing these regulations. We can't exist under a situation that there are no safety regulations applicable to the miner in Flin Flon.

MR. RANSOM: Mr. Chairman, I am advised that our mining inspectors are continuing largely as before, that there was only the one section of the Act that had been tested and that they are for the moment proceeding as before.

MR. GREEN: Mr. Chairman, it is a serious matter. I urge the Minister to check immediately with the Attorney-General. My advice to him is that all of the regulations passed by Manitoba are inoperative; that if we try to prosecute under any of them that the defence that was used would be applicable. And therefore what we are operating with now — and the Minister of Labour was attempting to correct it. During the last months of the previous administration there was an attempt by the two Departments of Labour to see to it that our inspectors enforced federal regulations, or some such means of dealing

with it. But it is not the case, I respectfully suggest — and he can check it with the law officers of the Crown — that our other regulations are not challengeable. They are all challengeable, and I would suggest that the defence used by the company and confirmed by the Court of Appeal — which I happen to disagree with but nevertheless you know when they are there, they are right and you are wrong — that that defence is available for any prosecution under a Manitoba safety regulation.

MR. CHAIRMAN: (c)(1)—pass; (c)(2)—pass; (c)—pass; (d)(1)—pass; (d)(2)—pass; (d)—pass; (e)(1)—pass; (e)(2)—pass; (e)—pass — the Honourable Member for Inkster.

MR. GREEN: Mr. Chairman, I'm sorry. Would you go back to 3.(e). I believe that the Member for Churchill wanted to speak on that. If you want to wait for a moment in silence, or if you want me to stand here and say nothing for 3 minutes I will do that, but I would prefer that we wait in silence.

Can we, Mr. Chairman, go to the other items on the understanding that we can come back to 3.(e)? Oh, it's 3.(e)(1). Is that permissible?

MR. CHAIRMAN: (f)(1)—pass; (f)(2)—pass; (f)—pass; (g)(1)—pass; (g)(2)—pass; (g)—pass; Resolution 83—pass. Resolution 83 — Resolved that there be granted to Her Majesty a sum not exceeding \$3,958,700 for Mines, Resources and Environmental Management. Mineral Resources \$3,958,700—pass. Resolution 4.(a)(1) Salaries \$433,500—pass — the Honourable Member for Inkster.

MR. GREEN: Mr. Chairman, I wonder if the Minister will now tell us that indeed there has been no reduction in water resources expenditures — because I believe that there hasn't — and explain to us how the figures show a reduction when there actually has not been a reduction.

MR. RANSOM: I think, Mr. Chairman, that this would be an appropriate time to distribute the list showing the components of Appropriation 12(5) and the Acquisition and Construction of Physical Assets. —(Interjections)—

I just would draw the honourable members' attention then to the items for bridge replacements and reconstruction \$1,500,000 which combined with what shows actually under Water Management accounts for the slight increase.

MR. GREEN: Mr. Chairman, then we have to understand what these efficiencies are, and I'm glad that the Minister has shown what they are. Of the \$3 million reduced expenditures of this department, what we have is \$2 million less — not \$1 million, as I thought — but \$2 million less which is a change in philosophy on mineral exploration. That has been reduced by \$2 million.

There is another \$1 million in capital projects, acquisition of physical assets, that have been reduced. There is no reduction in Water Management. There is an increase of roughly \$1 million — from \$2.9 million to \$3.8 million.

I'm not, Mr. Chairman, making a criticism here. I'm trying to analyse whether in fact I'm correct, because I was, frankly, very concerned that there is what appears to be a reduction of \$12.2 million to \$11.1 million in Water Management. But that is not reflected in this statement. What there is is an increase in those particular programs from \$2.9 million to \$3.8 million, or \$1 million more under the Water Management sector, which is \$1 million for reconstruction and \$500,000 for bridge replacements, both of which items were being discussed during the time of our staff and departmental seminar.

Now, Mr. Chairman, that's merely an assessment that I make to put matters into perspective. If I'm incorrect in that, I would want the Minister to so inform me.

MR. RANSOM: Well, Mr. Chairman, the amount of money expended on maintenance, I believe, is approximately the same but there is additional funds going into reconstruction, including bridge replacements. It is part of the reconstruction program.

MR. CHAIRMAN: 4.(a)(1)—pass; (a)(2)—pass — the Honourable Leader of the Opposition.

MR. SCHREYER: This is probably the most appropriate time although it is not completely appropriate even here, but it is relatively appropriate to raise with the Minister the request that has to do with a similar request that took some time to iron out in the Department of Agriculture Estimates this afternoon over in the committee room. Because what is proving difficult in getting reconciliation of these Estimates this year for last year is the fact that not only has there been a combining of current and capital, which would be somewhat difficult but manageable to review this year, last year in juxtaposition one to the other, but there is also the problem of not being told of the amount that was voted under capital last year, how much was actually expended or tually contrac committed, and how much authority that was voted was neither expended nor committed contractually. And of that latter amount we found, for example, in the Department of Agriculture that it was something in the order of approximately \$5 million in authority that had not been spent and had not been contractually committed at the time of changeover in government. And these funds, if they are to be carried forward into the new fiscal year, if it's capital authority, then it does diminish the amount of the request.

Now, what happens then, Sir? And I want the Minister of Mines and Resources with respect both to

Water Management and, for that matter, to Mineral Resources to attempt to find out and provide us with a sheet similar to the one he has just handed out — this by no means tells the whole story — how much of capital authority voted last year was actually unspent and uncommitted even, at the end of the most recent fiscal year, March 31, and for that matter, any accumulation from previous years. There may be small residual accumulations, because if there is any significant amount in connection with that, basically these Estimates will tend to be understated.

In other words, if it shows for Water Management something in the order of \$11,900,000 this coming year, say \$12 million, as compared to \$11 million last year but if in the \$12 million for this year there is an amount of capital authority carry forward, then conceivably the amount of expenditure this coming year in terms of authority both voted now and accumulated residual unused authority from past years will make this figure of actual expenditures potentially contractable \$12 million plus.

Now, if it's \$1 million, \$2 million, \$3 million or \$4 million, we don't know. But after a great deal of questioning in the committee this afternoon in Agriculture, we ascertained that in fact there was the potential for taking the expenditures of the department about \$5 million greater than the print Estimates would have us believe.

Now, normally we would not make much of that point. It is a matter of accounting. In the days, in the years when we used the bifurcation as between current and capital budgeting in estimates, then we understood the distinction. But where we are going to a combined current and capital, really we must insist then on being provided not only with the so-called "combined current and capital" but with the information department for department, by department as to the amount of unused voted existing authority which has not been encumbered contractually. And that figure, I will just postulate by way of a guess for the moment, could conceivably be between \$1 million and \$3 million in the case of this department. And if that's the case, then we want to know that so we can add it to the print request here which by itself then becomes slightly misleading.

MR. RANSOM: We have just passed that information to the Honourable Leader of the Opposition.

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

MR. URUSKI: Thank you, Mr. Chairman. I just came into committee, and I received a copy of the Minister's components of acquisition, and construction of physical assets that he has sent over.

Has the Minister, in his possession, or has he received a detailed actual program of anticipated maintenance and reconstruction that he might make available to members of the House, and is it possible that that be distributed and those costs, I presume, will be noted on the program that he has?

MR. RANSOM: I'll distribute those tomorrow, Mr. Chairman.

MR. CHAIRMAN: 4.(a)(1)—pass; (a)(2)—pass — the Honourable Member for St. George.

MR. URUSKI: Thank you, Mr. Chairman. Could the Minister indicate to us whether in this section or clause 4 in this there has been any staff reductions, in terms of staff positions that have been allocated but not used and/or has there been any actual staff numbers that have been taken out of the department within this section or any of the other sections? Has there been a staff reduction in the department, either in actual persons or in staff positions that hasn't been asked before?

MR. RANSOM: Mr. Chairman, I believe that I provided that information a day or two ago in response to the Honourable Member for Inkster. If it is not sufficient on the record, then I will naturally provide more.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SCHREYER: Just by way of one example, as we get into this, when we look at the example of the Vermilion River Dam and we see a request for \$420,000 for the upcoming fiscal year, are we to assume that that is the sort of anticipated work order or contract, or will it be in fact \$420,000 expenditure plus another \$420,000 expenditure by reason of a carry forward of last year's uncommitted, unallocated capital authority, for a total of \$840,000.00? And if it's the latter, in other words, if it's a reasonably good construction year, will the Vermilion River Dam see \$840,000 worth of work or \$420,000, or neither?

MR. RANSOM: I am advised, Mr. Chairman, that there will be one payment of a bill to the Federal Government for work that hasn't been done, or a bill that hasn't come in and the money is carried over and will be paid out.

MR. SCHREYER: That's because much of the work has been completed, presumably. Well, this is maybe not the most clear example, but wherever we note that there is unallocated authority. You see, Sir, this is perhaps either boring or rather a revelation to you, one or the other, but it is becoming somewhat confusing to be handling Estimates in combined current and capital format. Because when dealing with current account, as we used to call it and indeed called it for some 19 years, capital authority Estimates, such as we pass in this format here, over the years, whatever, was not expended at the end of a fiscal year lapsed. And then when honourable members of this Assembly were

provided with a print of Estimates for the next year, they knew that they were dealing with a clean slate, so to speak, and that every dollar voted would go to the given project or program or work order, and whatever was spent in that year up to that authority — and if in order to honour a contract or complete a project occasionally there were special warrants — but in any case there was no carrying forward of authority — except in capital account division.

Now, we've got these two fused together now in a single format and when we look at the print Estimates and we see that in the upcoming year there is an amount of \$12 million being requested for Water Management, we now know that in fact that is the amount requested but that doesn't mean that that is the amount of the authority that will exist by virtue of the fact that there are, in some of these cases — quite a number of them actually — already existing authority from the previous year or years, which can be added on and the expenditure, therefore, will be, could be, and in many cases probably will be, significantly higher than what the Estimates show.

Now I repeat that in the case of Agriculture there is, and certainly no one reading the Estimates would ever be able to know it, there is a difference of \$5 million. In the case of Mines and Resources and Environmental Management, I rather that the difference between what the print request is, total for the department, and what the actual authority will be for spending, two different things and the latter may well be \$3 million or more higher than what the total departmental request is.

Now when you do it that way, then your Budget — this is a bit partisan I admit, but that's mainly because of the publicity through the media that has been given to the size of increment in the budget, in the Estimates — so it's a 6 percent on current account, they said and . . .

MR. GREEN: No, 4. **MR. SCHREYER:** On combined? Four percent on combined. but if you add \$5 million in Agriculture and pre-existing authority — which they're not asking for now because they already have it — and \$2 or \$3 million in this department, \$2 or \$3 million in that department, then it does alter the percentage of total Budget, a total wild spending or whatever kind of spending, by 10, 12, 14, 16 million and that could, in fact, add a total percentage point or two.

MR. GREEN: That increases this department by 10 percent.

MR. SCHREYER: My honourable colleague, the Member for Inkster, says that with respect to this department, it's a 10 percent increase — I wouldn't say hidden but obscure. Not hidden but obscure. There is a potential, without asking for anything more legally or in law or in procedures of this House by virtue of this rather obscured existing authority, that the expenditures of this department can be increased, he says, and I think he's right, 10 percent beyond the printed Estimate. So it does require some elucidation which we will want to get itemized as we go along.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. McKENZIE: Mr. Chairman, on this very subject matter, I was just dealing with it in Highways in the other room, and if the Honourable Leader of the Opposition and those who want to go into those figures and the past of that government and try and get the accountability of this government, I would like to have the figures for my constituency back to 1969, as to why that government of those days never built any roads in my constituency. —(Interjection)— I'm just talking about the figures and the accountability of government to the members of this House. —(Interjection)— Well, the Honourable former First Minister can have it his own way.

But I know one time in the 1973 election he said I should be skated back to Saskatchewan 8 where I came from. And I know, Mr. Chairman, as well as I stand before this Committee tonight, that the former First Minister and the former Minister of Highways of this province were supposed to open Asessippi Provincial Park at that time, and they never showed. And I knew, and the people knew that day, that we were going to get crumbs because when the First Minister of a province or his Highways Minister doesn't appear in any member's constituency, anybody that has any political savvy at all must know that you're going to get very little from that government.

And I charge this Minister and this government, if you're going to get into those figures, I want all the prior /s, I want all the figure and I want all the understanding and the memos, ta-da, ta-da, of why I got nothing from that government. I never got any paved roads. The former Minister of Highways, he paved his roads, 20 highway, the one from Gilbert Plains, the record is there. They're paved. When you come to my constituency, it's gravel. I want the same on Water Resources. I want to know why I was a second-rate citizen, or my people were second, and we're going to get that figure. If the Minister is going to give those figures to the members opposite, then I want them back to 1969, Mr. Chairman.

MR. SCHREYER: Mr. Chairman, I think the Hansard will show that I was not talking about constituency by constituency log-rolling, or whatever the expression is. The honourable member says that I never came to any functions in his constituency, or words to that effect. —(Interjection)— Not at the park perhaps, but I was at the opening of some public institutions in the constituency of Roblin; and I was there at some agricultural fairs. I think I can say that I was in that riding at least and indeed more than, for example, in the riding of my honourable colleague, the Member for Inkster or for that matter, at least as much as in the riding of the Honourable Member for St. George, which is to

say in the order of three or four times a year. But the opening of a particular park on a particular day, it may well be that I wasn't there.

Insofar as building roads, riding by riding, I must confess that I've never kept any kind of drafts or records as to how many miles of road — by miles or by dollars — were built in one riding as compared to another.

I daresay to the Honourable Member for Roblin, that insofar as road construction is concerned, I don't believe that there was provincial moneys, any greater amount going into roads in North Kildonan or the constituency of Rossmere any more than perhaps any sort of typical cross-section constituency. That is not what is at issue, a riding by riding account, whatever that might indicate, but rather it is the precise question of the clarification of the carrying forward of capital authority that is now being combined with the current; and since we're combining it, it's no cardinal sin in itself, it's just that it does cause confusion and it does also provide a circumstance in which there is obscurity of the true nature of the existing authority that will be in place after we approve these Estimates.

When we look at the print we see \$11.9 million, say \$12 million. But we know in fact that by carrying forward, roughly \$3 million in this department, \$5 million in Agriculture, a few million here and there, that the actual spending authorized will be more than what this Estimate Book and what the Budget Address indicated to us. That's what's at issue.

MR. MCKENZIE: Mr. Chairman, very briefly, and the honourable members opposite are the ones that raised this question about credibility, accounting, or accountability, they want records, memos, ta-da, ta-da, of this government and the question has been raised in the Estimates of most of the departments, and I think that's fair ball. If you get it from these Ministers and this government, then I want it from your government, the same accountability, the same memos which is interdepartmental memos, all the information that you had in those days, and I want the same privileges to me just an an Honourable Member for Roblin, because I've never been able to justify the days that I was the MLA for Roblin, why you did what you did, and that's fair ball. The Honourable former Minister is sitting over there, he knows that I never raised those kind of questions because it was none of my business.

I knew when the government and the First Minister of the day made their decisions, and the printed Estimates were before us, how they arrived at those Estimates, how they got those figures in their printed Estimates was none of my business.

My concern was to try and justify where there were dollars for my constituents, and there were no dollars, and that's fair ball. This is a political arena. We know that. And I have no quarrels about any government, as I told the former Minister, every government's been in this province since I've been here and before my time. They all do good for all the people and I congratulate the former government and the government before them.

But I think it's very unfair to get into this field in all these departments, these Estimates, because the information you're seeking, and if you get it, then I want it from your government. I want the same administration to give me your memos and how you arrived at those decisions, and I know I'm going to end up with nothing because I never did basically get anything from that government, because I knew they politically didn't agree with me. The former Minister knows, he said, "Skate him back to Saskatchewan where he comes from." —(Interjection)— Well, you said that in Roblin, Ed, you did. —(Interjection)— That's when the gas boys closed their gas pumps up and I won. If you hadn't said it, I would have lost that time.

But I just wanted to be on the record for the people that I've represented, if you're going to play those kind of rules in this time, then I want the accountability of your government to be on the records, so I can go and tell the people why I didn't get any drains, I didn't get any highways, ta-da, ta-da, and why you - weren't there that day to open the park, why Burtiak wasn't there to open the park, I want all that, too.

If you want to play those kind of games, then I want it from your government and I want it from this one too. Otherwise, let's get back to the Estimates and deal with the ones that are printed before us, Mr. Chairman.

MR. CHAIRMAN: Order please. We are discussing Water Management and all I've heard in the last little while is roads and opening of parks. I think that if I could please direct the honourable members, if we could get back to Water Management, Administration, Salaries. The Honourable Leader of the Opposition.

MR. SCHREYER: I will try to remain relevant, Sir.

MR. CHAIRMAN: Thank you.

MR. SCHREYER: I simply must take this opportunity to say, though, to the honourable member, that perhaps it's just as well that he is not the Minister, it is rather the young man who is the incumbent Minister that is Minister, because if he were Minister I think we'd be in one hell of a row very quickly.

I am not raising with the honourable member the question of roads and drainage ditches, constituency by constituency. And I must say as a matter of privilege, practically, that I may have said other things but I could not have said of the Honourable Member for Roblin that he should be "skated back to Saskatchewan", because that's a figure of speech I don't use. On top of that, in all truth, I was not aware that the honourable member originates from Saskatchewan. I didn't even know that, so it's not a figure of speech or expression I would have used.

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In any case, we are back to the point of these Estimates and more specifically, the question of reconciliation in global terms, not riding or constituency terms, of the extent to which there is unrevealed capital authority that can be brought forward to augment that which is being requested in the Book that's before us; and it would seem according to the data sheet that the Honourable Minister was kind enough to forward, that we are talking about something in the order of \$2.2 million of existing, but unallocated, capital authority.

So that the total departmental spending is potentially then authorized to a level of 23 million8something as opposed to -2. Is that basically correct?

MR. CHAIRMAN: The Honourable Minister.

MR. RANSOM: Well, Mr. Chairman, my understanding is that that \$2,213,000 will lapse and will not be available in 1978-79 except in cases where it was specifically included in 1978-79 such as the \$420,000 on the Vermilion River Dam.

MR. SCHREYER: Well, let's be clear. That's getting to the nub of it. The Honourable Minister says that it will lapse. That will be true if we are talking about authority that was voted in last year's current, but with respect to authority that was voted in last year's capital Estimates, by what means would it lapse unless you put through specific legislation to lapse it? And I don't think that that is, at least I'm not aware that that is the intention.

MR. RANSOM: Mr. Chairman, I'm advised that the ground rules have been altered somewhat and that the capital allocation does lapse at the end of the fiscal year.

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

MR. URUSKI: Thank you, Mr. Chairman. The Minister has provided us with reconciliation of the capital authority for 1977-78. Is there in the Estimates any capital authority that has been brought forward from previous years, in other words, could go back two or three years of General Purposes capital authority that can be allocated in this year's Estimates? —(Interjection)— Well, they are saying it's lapsing this year. I only want to reiterate to the Minister that in the Department of Agriculture there's been capital authority that was given to the department going back several years and is now being brought to use in the department's Estimates. The authority was granted by the Legislature but was not specifically allocated and it is now only this year being used within the department for current projects.

I'd also like the Minister to indicate, in his current Estimates — if he has not already given the figure — what portion of the Estimates is capital authority within his total budget of 26.6? Is there any of that amount capital or is it all current funds?

MR. RANSOM: Mr. Chairman, on Page 59, Item 5 shows Acquisition/Construction of Physical Assets, \$6,365,000 as being included in the \$26,612,800.00. None of the Capital is carry-over in terms of being allocated previously and spent in 1978-79.

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

MR. URUSKI: I wasn't suggesting that it was a carry-over. What I'm asking, in addition to the 26.6 that is shown in the Estimates, is there authority within the department that can be utilized from previous years in addition to the 26.6 that you are projecting to spend?

MR. RANSOM: I am advised, no.

MR. CHAIRMAN: (a)(2)—pass; (a)—pass; (b)(1)—pass; (b)(2)—pass; 3—pass; (b)—pass; (c)(1)—pass — the Honourable Member for Inkster.

MR. GREEN: Mr. Chairman, I would like the Minister to give me clarification with regard to the following projects: does he have on file any indications that there is a cost benefit plus in creating a Boyne River diversion to prevent flooding in the area of Carman, Number 1? Is there anything to suggest that such a program would be feasible on a cost benefit basis? Is there anything to suggest to him that any cost benefit studies showing feasibility were hidden? Is there anything to suggest to him that engineers in our department have been induced to make wrongful cost benefit studies to avoid the construction of a diversion around Carman of the Boyne River in order that that constituency not have a diversion around its constituency? I'll start with that one and then I have several others.

MR. CHAIRMAN: The Honourable Minister.

MR. RANSOM: Mr. Chairman, I am unaware of any studies that show a positive cost benefit for that particular project to which the honourable member refers.

MR. GREEN: . . . whether the honourable member is satisfied that the studies that have been done have not been politically oriented by the administration in such a way as to distort their cost benefit

so that the program would not be proceeded with? I would concur with the Minister that there is no cost benefit study which would indicate a satisfactory relationship to construct a diversion of the Boyne River around Carman. Is the Minister satisfied that the studies he has in his possession are professional studies which can be relied on?

MR. RANSOM: Mr. Chairman, when I'm supplied with a report by my technical advisers, my thoughts do not immediately run to political interference in that sort of a report. I can only answer the honourable member as I did, that I have no indication of that type of activity having taken place.

MR. GREEN: Mr. Chairman, I wonder if the Minister has a cost benefit study showing that there would be an existing cost benefit for the province to proceed with the total concept of a Pembilier dam which was estimated some five years ago at \$46 million? Is there any intention for the Minister to now involve this province in a program of the total concept of the Pembilier Dam which in quick mathematics I would say would now cost at least \$55 million or \$60 million and is such a program intended to be proceeded with as was indicated is a definite necessity by the previous Member for Pembina?

MR. RANSOM: Well, Mr. Chairman, my understanding is that the one dam associated with the Pembilier Project, the flood control dam in the United States, that that project, discussions at least are proceeding. Beyond that, Mr. Chairman, I'm only at the stage of reviewing a number of water projects that have been suggested for some time and I'm sure that this one will be looked at carefully again.

MR. GREEN: Mr. Chairman, I want to make it clear that the limited program which I believe the honourable member is referring to involving expenditures in the neighbourhood of \$2 million on our part, were to my knowledge approved in principle and we were discussing with the Federal Government and the United States Government as to their role. That was approved some time ago.

But there was another project, a project involving some \$46 million, \$26 million on the Canadian side and \$20 million on the American side, which would be considerably higher now. Is there a present intention on the government to proceed with that project?

MR. RANSOM: No, Mr. Chairman, that is not the present intention. As I stated, a number of these projects will be carefully reviewed.

MR. GREEN: Mr. Chairman, I would like to know whether there is an inclination on the part of the Minister to engage in a water regulation program on Rock Lake and Pelican Lake? I believe it is the lake where we had provided a copper sulphate experimental program, I believe it is Rock Lake. Is there an intention on the part of the government to provide provincial funding for a regulatory program at Rock Lake in order to make it a provincial tourist attraction?

MR. RANSOM: There is no money in the Estimates for that sort of project, Mr. Chairman.

MR. GREEN: Mr. Chairman, those are the projects that I was concerned with.

MR. CHAIRMAN: (c)(1)—pass; (2)—pass; (c)—pass; (d)(1)—pass; (2)—pass; (3)—pass; (4)—pass; (d)—pass; (e)—pass; Resolution 84—pass.

MR. GREEN: Mr. Chairman, I wonder if there is a disposition to conclude at this time? There are only two items left; one is the Acquisition/Construction of Physical Assets and then the Minister's Salary. I believe those are the two.

MR. JORGENSON: I would be quite happy to have the Committee rise at this stage if my honourable friends plan to take some time on those two items. There is no point in beginning with them tonight.

MR. GREEN: I think not, Mr. Chairman, but that won't be a minus for my honourable friends. The fact is that I would like to look at those items and there are some other members of the group who would like to look at them. We have made considerable progress today.

MR. JORGENSON: Committee rise, Mr. Chairman.

MR. CHAIRMAN: Before we do, gentlemen, if I could just complete this.

Resolution 84: Resolved that there be granted to Her Majesty a sum not exceeding \$11,186,200 for Mines, Resources and Environmental Management, Water Management, \$11,186,200—pass.

Committee rise. Call in the Speaker.

The Chairman reported upon the Committee's deliberations to Mr. Speaker and requested leave to sit again.

IN SESSION

Monday, April 24, 1978

MR. SPEAKER: The Honourable Member for Radisson.

MR. KOVNATS: Mr. Speaker, I beg to move, seconded by the Honourable Member for Gladstone, that the report of Committee be accepted.

MOTION presented and carried.

MR. SPEAKER: The Honourable Government House Leader.

MR. JORGENSON: I move, seconded by the Honourable Member for Inkster that the House do now adjourn.

MOTION presented and carried and the House adjourned until 2:30 p.m. Tuesday.