

THE LEGISLATIVE ASSEMBLY OF MANITOBA

10: 00 o'clock, Friday, March 22, 1974

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 45 students of Grade 11 standing of the Tuxedo-Shaftsbury School. These students are under the direction of Mr. Perrett and Mrs. Goodman. This school is located in the constituency of the Honourable Member for Charleswood. On behalf of all the honourable members I welcome you here today.

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports. The Honourable Minister of Mines.

TABLING OF REPORTS

HON. SIDNEY GREEN, Q. C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, I have two flood forecasting committee reports; one dealing with the general situation, one dealing with the particular situation. I am going to pass them out to honourable members. If they wish to ask questions on them they will be able to do so.

MR. SPEAKER: Any other Ministerial Statements or Tabling of Reports? Notices of Motion; Introduction of Bills. The Honourable Member for St. Vital.

INTRODUCTION OF BILLS

MR. D. JAMES WALDING (St. Vital) on behalf of the Honourable Member for St. Matthews introduced Bill No. 35, an Act to incorporate the Red River College Students' Association.

MR. J. PAUL MARION (St. Boniface) on behalf of the Honourable Member for Assiniboia introduced Bill No. 40, The Presbyterian Church Building Corporation Act.

ORAL QUESTIONS

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

MR. SIDNEY SPIVAK, Q. C. (Leader of the Official Opposition) (River Heights): Mr. Speaker, my question is to the First Minister; it relates to the Pan Arctic Gas Pipeline, potential for the pipeline for either Manitoba or for Quebec. Can he now confirm that Premier Davis of Ontario has indicated that the Ontario Government will now be pressing the Federal Government for the pipeline to come through Ontario rather than through Manitoba?

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Well, Mr. Speaker, I don't quite understand the point of my honourable friend's question. I have discussed with representatives of the Province of Ontario the question of the future possible Arctic Gas Pipeline and in that connection it can be only said that it's several years down the road. I might also indicate that geography dictates that any pipeline that goes through Ontario from the Arctic Islands would perforce go through Manitoba as well.

MR. SPIVAK: Well I wonder if the Manitoba Government yet, and the First Minister, has responded to Premier Davis' announcement that he wants the pipeline to come through Ontario?

MR. SCHREYER: Well, Mr. Speaker, in that connection I can advise my honourable friend that we had discussions some few months ago in that very respect and the discussions of course were of a very tentative and preliminary nature and no doubt there will be further discussions during this year and possibly even next year. The decision is far from the point in time when it will be made.

MR. SPIVAK: Yes, to the First Minister. I wonder if he could indicate to the House whether the Manitoba Government through himself would be prepared to present Manitoba's case to Premier Davis at the Premiers' Conference to be held next week dealing with the problem of the oil pricing in Canada?

MR. SCHREYER: Well, Mr. Speaker, I don't understand the particular choice of words. We have a case to make, we will discuss it with sisterprovinces and with the Prime Minister. That's one of the main reasons for the meeting.

ORAL QUESTIONS

MR. SPIVAK: I wonder if the First Minister can indicate the last correspondence or last discussion with the Federal Government about the potential of the pipeline through Manitoba?

MR. SCHREYER: Mr. Speaker, discussions several months ago, letters during the course of January and February and March, in that very respect, with the Federal Minister and discussions with representatives of the province of Ontario as well.

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

MR. I. H. ASPER (Leader of the Liberal Party) (Wolseley): Mr. Speaker, to the First Minister on the same subject. Would he confirm that the proposal that Ontario is putting forward would not require the pipeline to go through Manitoba but rather would cut across the Hudson Bay from the Northwest Territories and completely bypass Manitoba if the Ontario plan were implemented?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I don't know if it would be necessary to actually have recourse to a map but any pipeline that is to go through Ontario obviously would have to come through Manitoba at some point, unless my honourable friends are talking about a possible route of pipeline that would go through Hudson Strait and then through the Ungava territory of Northern Quebec and then come back down to Ontario. Well of course, Mr. Speaker, that second possibility can hardly be described as an Ontario route; it would be an Ontario terminal point but not an Ontario route.

MR. ASPER: Mr. Speaker, I have a question for the Minister of Finance. I wonder if he could advise us whether the budget figures presented for the year 1974 or the year 1973 reflect the \$40 million loss suffered by Manitoba Development Corporation?

MR. SPEAKER: The Honourable Minister of Finance.

HON. SAUL CHERNIACK, Q.C. (Minister of Finance) (St. Johns): Mr. Speaker, the honourable member should know, I think the figures read for themselves very well. If he's talking about current estimates or estimates of current revenue and expenditure for the year which ends this month, it's all in there. There's no indication there of any payments that are made other than what is shown in the estimates.

MR. ASPER: Mr. Speaker, my question to the Minister of Finance. Do the figures for the year 1973, the budgetary figures for '73, or for the year '74, reflect the declared \$40 million loss by the MDC? Surely it is a yes or no to that.

MR. CHERNIACK: Mr. Speaker, I thought I made it clear in the budget address last night that there have been no adjustments made on moneys due as between the MDC and any of its subsidiaries except as may be shown in the statement of the MDC which the honourable member probably has in his possession.

MR. ASPER: Well do any of the budgetary figures reflect losses by any other corporations including Mineral Resources Limited or the companies in which the MDC has itself invested money and lost money?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, it may be that I just don't understand the honourable member and it may be that we will have to get more detailed questions that would serve to answer him. Probably it would be better to deal with that during Capital Supply, when we are in Capital, but I can only repeat that the budgeted amounts are shown in the estimates, both revenue and expenditure, and in the expenditure items I'm not aware of any figures such as he speaks of. Now if he talks of losses of any of the Crown Corporations, then they would be shown in the Crown Corporation statements, not in the Estimates of the Province.

MR. ASPER: Then will the Minister of Finance confirm that if the budget for Manitoba, consolidated with the Crown Corporations - the Manitoba Development Corporation, particularly - we would show not a surplus but in fact a loss of 40 some million dollars?

MR. CHERNIACK: Mr. Speaker, I can get into a very lengthy discussion about what is capital and what is current and if the member wants to discuss what is a loss, then we also have to talk about what is a surplus, what is a deficit in relation to current and capital and the debate that could go on as to how you describe either of those two.

All I would have to say is that it's a tremendous oversimplification to come to the conclusion he's coming to. Losses that have occurred over a number of years I believe have been capitalized in the main in relation to CFI and if so, they have to be--and I said in the Budget Speech itself, and I said a year ago, and I even think I said it two years ago, that we are waiting for the report of the CFI Commission whose terms of reference include recommendations

ORAL QUESTIONS

(MR. CHERNIACK cont'd). . . along these lines and when they come there will have to be a restructuring of the capital picture of the debt insofar as what's owing by MDC to the government, what's owing by CFI to MDC.

Now if we need more discussion on this, it probably belongs better in Capital Estimates.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Yes, Mr. Speaker, my question is to the Minister of Finance and it relates to an item they refer to in the Budget. I wonder if he can explain the "windfall" that occurred in equalization payments and if he can indicate for what year the windfall occurred from the Federal Government?

MR. CHERNIACK: Mr. Speaker, it is sometimes difficult to explain when one gets a letter from Ottawa saying, "On a recalculation or a reassessment of 1972 we find that we have underpaid you X million dollars and therefore there will be that forthcoming", and then a letter comes, say a week or two later, saying, "on a reassessment of the 1973 or the 1971, we find that we have overpaid you X millions of dollars and there will be a change."

In January - February we started to get information relating to previous years' reassessments and as recently as a week ago we had a letter which dealt with a - I think it was a 5-1/2 million dollar adjustment which again changed the figures. We do not yet have any final figures, but the indication is that it's a reassessment over the last few years which came to our attention in the last couple of months and we're not through knowing just what it is, but it appears that there is some \$25 million in additional funds from equalization that is being received in this month compared with the estimates.

MR. SPIVAK: Yes, I wonder then if the Minister of Finance could confirm that considering the windfall last year in the equalization payments and the announced windfall this year, that there isn't a basic contradiction in the increasing moneys paid by the Federal Government on equalization and the allegations by the government that the economy of Manitoba is buoyant and is moving so rapidly?

MR. CHERNIACK: Mr. Speaker, I don't know the extent to which we will continue this debate, because it's becoming a debate. I would say that clearly there is money that - some, I think \$32 million at our present calculation is unexpectedly coming in from Ottawa. It is not windfall money. As I recall it, we have had windfall moneys in the past when the Federal Government paid different kinds of money. For example, there was a jack-up of a month's payment which was clearly a jack-up of windfall one time figures. I do not consider it a windfall when there are adjustments and readjustments made to moneys payable. The calculations are made by the Federal Government and we are informed of them as they come.

But let me point out again that in the budget I dealt with some \$52 millions of surplus moneys, of which \$32 million was put into next year's, this coming year's estimates of revenue, and some \$20 million are being put aside for the land acquisition and servicing program, and there will be come additional surplus that we haven't fixed yet, and of this money we have identified some \$32 million as being moneys coming through transfer payments from Ottawa. The balance is all a reflection of the buoyancy of the economy in Manitoba and the buoyancy of revenues of the Province of Manitoba direct and not through Ottawa.

MR. SPIVAK: My question is to the Minister of Finance. Can he confirm the fact that Manitobans have been over-taxed for the last five years. . . ?

MR. SPEAKER: Order please. Order please. Order please. The Honourable Leader of the Opposition - I have allowed a lot of latitude but apparently he wants to have a debate during the Question Period.

MR. SPIVAK: Mr. Speaker, I'll rephrase the question.

MR. SPEAKER: Very well.

MR. SPIVAK: I wonder if the Minister of Finance can explain why the government has had surpluses every year that it's delivered its budget.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker. . .

MR. SPEAKER: Order please.

MR. CHERNIACK: I suppose that it was the challenge of the two leaders of the opposition parties who in the early years of the administration of this government claimed that we had falsified figures by understating expenditures, overstating revenues and the first couple of years claimed that there would be tremendous deficits because of false figures. Mr. Speaker,

ORAL QUESTIONS

(MR. CHERNIACK cont'd). . . it is clear that it may be that their talk had just made us a little bit even better in administration than we could have been in the past in order to show them that we could manage an operation the size of government and get revenues, many of which revenues are a direct result of our employment program, our anti-inflation program, all of which has stimulated the economy. (Applause)

MR. SPEAKER: Order please. Order please. Order please. Let me appeal to the members, they are taking advantage of the Chair on both sides. I do not think it's fair to our rules or to themselves. The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, I'd like to direct a question to the Minister of Finance. Could he clarify a statement made in relation to the Mining Royalty Tax. The Estimates of Revenue he handed out last night indicate Mining Royalty going from \$5 million to \$30 million and in his speech last night on page 18 he says that the existing rates. . . .

MR. SPEAKER: Question please.

MR. CRAIK: . . . bring in \$15 million. Could he indicate whether there's something in there in addition to what's shown in the estimates?

MR. CHERNIACK: Mr. Speaker, I have no problem clarifying, pointing out to the honourable member that the revenue estimates show estimates of expected, that is the printed estimates are what was expected last year and the budget report deals with what we now know as of this month. Surely the honourable member knows there's a difference between estimates for the future and record of the past.

MR. CRAIK: A supplementary then, Mr. Speaker. I think in view of the answer could the Minister indicate what happened in between, why the revenues were three times as high as indicated?

A MEMBER: Tremendous activity. . .

MR. CHERNIACK: Mr. Speaker, very well - I should point out of course - I assume the honourable member knows something about what has been happening in the world markets in copper and in other minerals, and if he knows that then he would know that there has been a tremendous increase in selling price and therefore in profit. The Budget Speech refers to corporate profits generally; I can be more specific on mining profits at the right occasion, but there have been tremendously increased revenues to the mining companies who in the past have had the right, and still have the right, to do some advance depreciation but who eventually have to run out of depreciation to reduce taxation and there comes a time when they cannot postpone but must pay, and therefore the royalties that came in this year are a result of productivity, of the great use of the mineral and natural resources that belong to the people of Manitoba used by the mining companies on the world market to produce profits of such a size that brought to us the royalties which I reported in the Budget Speech.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Well, Mr. Speaker, I'd like to direct another question if the Minister doesn't find it too far beneath him to answer. Could he indicate out of his Estimates, can he indicate out of his Estimates, out of the \$30 million, what portion of this is a change in the royalty on oil from Manitoba and what the royalty rate is likely to be April 1 in view of the pending decision regarding Alberta and Saskatchewan?

MR. CHERNIACK: Mr. Speaker, I do not relate the \$30 million as between oil and other natural mineral resources. The picture of royalties is not clear enough really to make any firm expectation as far as the estimates are concerned. And I think I explained in the Budget Speech we are not guessing as to what the royalties in oil will be, any different in the coming year than they have been in the past. Therefore we don't know what the royalties will be, if any change as yet; but if there is to be a change then of course it's a matter of policy and it will be indicated at the proper time.

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

MR. MARION: Mr. Speaker, I'd like to direct my question to the Honourable the Minister of Education. Has the Minister provided funds in his Estimates that will enable the Department to assist the Winnipeg School Division in its multiply handicapped retarded children program?

MR. SPEAKER: The Honourable Minister of Education.

HON. BEN HANUSCHAK (Minister of Education) (Burrows): Mr. Speaker, I really do believe that that type of question could best be answered during Estimates debate. I think the honourable member will find in perusing the Estimates that the funds are provided for all the

ORAL QUESTIONS

(MR. HANUSCHAK cont'd). . . programs for which we are presently responsible. Now if any change should become necessary well that will have to be done by way of legislation if that is necessary, or regulation, or a combination of both.

MR. MARION: Will the Minister indicate - this is a supplementary, Mr. Speaker, to the same Minister. Will the Minister indicate whether the government will provide the funding, if it decides to provide this funding, on an above grant basis. . .

MR. SPEAKER: Order please. The question is hypothetical.

MR. MARION: Will the funding be on an above grant basis, Mr. Speaker, is the way. I'd like to reword the question.

MR. HANUSCHAK: Mr. Speaker, the matter of providing a program for the multiply handicapped is one of great concern to government. We are well aware of the program that is presently under way, an experimental program at Montcalm School which has the appearance of being very successful and the type of program that one would wish to encourage. As the honourable member knows, from time to time assistance is offered for projects of this type on a demonstration or a pilot project basis. We have met with representatives of the Winnipeg School Division and representatives of associations concerned with the plight of the multiply handicapped and this matter is presently under consideration at the moment.

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

MR. ASPER: Mr. Speaker, my question is for the Minister of Health and Social Development. Will the \$7.7 million increase in Estimates for the Manitoba Hospital Services Commission as requested in supplementary estimates, be used for meeting the budgetary requirements of the hospitals in Manitoba for 1974 - 75?

MR. SPEAKER: The Honourable Minister of Health.

HON. SAUL A. MILLER (Minister of Health and Social Development) (Seven Oaks): Mr. Speaker, they are part of the total moneys required by the Commission to include both Medicare payments, nursing home and hospital.

MR. ASPER: To the same Minister. Does that mean that the eight percent ceiling on budgetary expenditure by the Manitoba hospitals is to be lifted?

MR. MILLER: I can't understand how he ever arrived at that conclusion.

MR. ASPER: Mr. Speaker, I'm not sure what the answer entails but I'll try--Mr. Speaker it seems like a very simple question.

MR. SPEAKER: Question please.

MR. ASPER: Does the increased spending, \$7.7 million, mean the Minister will rescind his earlier decision or announcement, or the Hospital Services Commission announcement, that Manitoba hospitals will be limited to an increment of eight percent in spending in 1974 - 75?

MR. MILLER: No.

MR. SPEAKER: The Honourable Member for Fort Garry. The Honourable Leader of the Liberal Party.

MR. ASPER: Is the Minister in a position then to give the public and this House any assurance that there will be no cutback in hospital services as predicted by hospital administrators in Manitoba?

MR. MILLER: Mr. Speaker, the hospitals are dealing with the Health Services Commission; the Health Services Commission is dealing with the hospitals; both are seized of the problem and they will resolve the problem.

MR. SPEAKER: The Honourable Member for Fort Garry. The Honourable member state his point of order.

MR. ASPER: Yes, Mr. Speaker. This is the second time that this Minister, and others have said in this House, or implied by answers, that they will not answer in this House for corporations. . .

MR. SPEAKER: Order please. Order please. That is not a point of order. The Honourable Member for Fort Garry.

MR. L. R. (Bud) SHERMAN (Fort Garry): Thank you, Mr. Speaker. My question is to the Honourable Minister of Tourism, Recreation and Cultural Affairs.

MR. SPEAKER: Order please. The Honourable Member for Fort Garry.

MR. SHERMAN: Thank you, Mr. Speaker. My question is to the Honourable the Minister of Tourism, Recreation and Cultural Affairs. Can the Minister advise the House whether there are options still open to the Manitoba Lotteries Commission, or whether as of

ORAL QUESTIONS

(MR. SHERMAN cont'd). . .this date, March 22nd, 1974, 10:20 a.m., the WestCan Lottery and Manitoba's involvement therein is a fait accompli?

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

HON. RENE E. TOUPIN (Minister of Tourism, Recreation and Cultural Affairs) (Springfield): Well, Mr. Speaker, this will not be a fait accompli until first of all the bill before us, Bill 27, is accepted by this House, receives proclamation and that there is a formal agreement signed by the provinces interested in signing such an agreement. There are letters of intent filed by each province, each four western provinces, to the effect that they want to join together in setting up a western Canadian lottery commission and to that extent we are locked in. This does not mean, Mr. Speaker, that we're not in a position to again discuss directly or by means of Attorneys-General in Canada, reciprocal arrangements with other provinces in Canada. And I'm assured by my colleague the Attorney-General here that this will be pursued.

MR. SHERMAN: A supplementary, Mr. Speaker. Is there machinery set up to supervise and administer such a program to which Manitoba is now committed?

MR. TOUPIN: Well, Mr. Speaker, I must assume that the Honourable Member for Fort Garry means the Manitoba Lotteries Commission itself is to be the arm for the three other western provinces that will become involved and that will be assured by Orders-in-Council passed by every province interested in the interprovincial lottery commission, that Manitoba will be the mechanism used, that the Manitoba Lottery Commission will operate, will have the head office here in Selkirk and will be the arm for all western provinces. And that has been decided.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. BOB BANMAN (La Verendrye): Thank you, Mr. Speaker. I direct my question to the Honourable the Minister of Industry and Commerce. Could the Minister inform the House as to whether his department conducts productivity audits?

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

HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East): Yes, Mr. Speaker.

MR. BANMAN: Could the Minister then - a supplementary, Mr. Speaker - could the Minister indicate approximately how many audits were conducted this last fiscal year?

MR. EVANS: Mr. Speaker, we could discuss this during my Estimates or perhaps you could submit an Order for Return, or I could take the question as notice I suppose. I'd have to check.

MR. BANMAN: Last supplementary, Mr. Speaker. Could the Minister inform the House as to what are done with these audits once they are completed?

MR. EVANS: Mr. Speaker, this question would require a very lengthy answer, but the reports are provided to individual companies in the industry as well to the industry association. Now it's up to the industry, whether it be the furniture industry, the foundry industry or what have you, to take advantage of the suggestions made by the consultants, and we could discuss this during my Estimates, Mr. Speaker. There have been many excellent examples of where the industry involved, such as the furniture industry, have taken advantage of the recommendations of the consultants and have made real progress, whether it be in pooling of purchasing - of inputs or whether it be a pooling of transportation of the commodities out of the province, to other markets.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I direct this question to the Minister of Agriculture. The question relates to the subsidy being paid to cattle producers by the Federal Government. I'm wondering if his office has had any communication with the Minister of Agriculture in Ottawa in the past week regarding this matter, as it pertains to the cattle producers of Manitoba?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): Mr. Speaker, we have had communication in the context of the total livestock industry requiring some degree of federal support.

MR. EINARSON: Mr. Speaker, I would then ask the Minister, could he indicate to this House what his position is in regards to this matter?

MR. USKIW: Well the honourable member has not made his position clear to me, Sir,

ORAL QUESTIONS

(MR. USKIW cont'd). . . I don't know what matter he is alluding to. I am aware of problems in the way in which the subsidy is being handled. That we are discussing within the department at the present time.

MR. EINARSON: Third question, Mr. Speaker. Does he agree with the federal subsidy that is being provided by the Federal Government?

MR. USKIW: Well I think, Mr. Speaker, it's obvious that some action was needed but I question the methodology that is being used.

While I'm on my feet, Mr. Speaker, I should like to answer a question put to me by the Leader of the Opposition some several days ago with respect to the disposition of funds at South Indian Lake Co-op and the cost of the plant itself.

The source of funds, Mr. Speaker, are as follows: Province of Manitoba grant, January 1973 - \$55,000.00; Freshwater Fish Marketing Corporation advance - \$26,000.00; DREE grant, first payment - \$303,546.00; DREE grant, second payment - \$39,532.00; Manitoba Hydro rebate - \$7,325.00; loan guarantee at this point, and that is February 28, 1974 - \$647,871.29 for a total of \$1,079,274.29. And by the way, Mr. Speaker, there is still some DREE grant coming in the order of 80 or \$85,000.00. The application of funds are as follows: Cost of Leaf Rapids plant and equipment - \$790,506.13; interest costs on bank overdraft - \$107,998.80; funds utilized for plant operating costs - \$154,769.36; repayment of advance to the Freshwater Fish Marketing Corporation - \$26,000.00, for a total of \$1,079,274.29.

Now these are unaudited extracts, Mr. Speaker, from the records of the local co-operative an audit is now under way and should be complete by the end of April, so there may be some variations but within the total figure given. If there will be any variations it will be a variation of a reduction in either the one category or the other, that is capital versus operating or vice versa but the total figure should remain about the same.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question - and I thank the Minister for the information - I wonder if he can indicate why the interest charges of \$100,000 are not considered as part of the capital cost of the project?

MR. USKIW: Well as I understand it, Mr. Speaker, the \$107,000 of interest charges involves I believe the bridge financing as well as the operating advances over the period right up to this point in time.

MR. SPIVAK: Yes, I wonder if the Minister can indicate whether the government is indebted to the Freshwater Fish Marketing Corporation in the amount of \$750,000 as part of Manitoba's portion of the start-up costs of the Freshwater Fish Marketing Corporation?

MR. USKIW: Well I think, Mr. Speaker, that question should be properly put to the Minister of Mines.

MR. SPIVAK: Well to the Minister of Mines. I wonder if he can indicate whether the government is indebted to the Freshwater Fish Marketing Corporation in the amount of \$750,000 as part of the start-up costs of the Freshwater Fish Marketing Corporation?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: No, Mr. Speaker, Having said that, the Freshwater Fish Marketing Corporation is asking us for \$750,000; there's certainly no indebtedness but there is a question of an obligation of the Government of Manitoba vis-a-vis, not start-up costs but deficit pictures which accrued during the first three years which the Government of Canada has asked all provinces to participate in. The matter is still under discussion as between the Government of Canada, the Freshwater Fish Marketing Corporation and the Government of Manitoba. But I can say that there is no indebtedness.

MR. SPIVAK: To the Minister of Mines and Natural Resources or the Minister of Co-operative Development, Can he confirm that in the event that Manitoba -- the request from the Freshwater Fish Marketing Corporation having been made, the assessment then will be made either against the government or will it be made against the fishermen in Manitoba who will have to pay that indebtedness?

MR. GREEN: Mr. Speaker, if it's paid in the way in which it is being discussed it will be paid by the Government of Manitoba. Now, any part of the Freshwater Fish Marketing Corporation capital costs which is subsequently amortized by virtue of mortgage payments or what have you are taken out of where all wealth comes from - that is the application of human endeavour to natural resources.

ORAL QUESTIONS

MR. SPIVAK: Yes, to the Minister of Co-operative Development. I wonder if the Minister is in a position to indicate how 50 fishermen are going to be able to pay off an indebtedness of a million dollars?

MR. GREEN: Mr. Speaker, I didn't say that--oh, he can give you that answer.

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, if the Honourable Leader of the Opposition is talking about South Indian Lake Co-op, I indicated in my statement a moment ago that the indebtedness is now at \$647,000, not a million.

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

MR. MARION: Thank you, Mr. Speaker. Mr. Speaker, I'd like to direct my question to the Honourable the Minister of Tourism, Recreation and Cultural Affairs. He has referred to a number of times a "letter of intent" from the various western provinces, I wonder if he could table those letters of intent in this house.

MR. SPEAKER: The Honourable Minister of Tourism.

MR. TOUPIN: Well, Mr. Speaker, insofar as the letter of intent from Manitoba, there is no problem. In regards to other provinces that have signified the intent of joining in an interprovincial arrangement, consent would have to be given from those provinces.

MR. MARION: Mr. Speaker, my supplementary would be this. If we can have the letter of intent from Manitoba tabled in the House, would he advise us if the other letters of intent are along exactly those same lines?

MR. TOUPIN: The letters of intent are of the same intent.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Thank you, Mr. Speaker, my question is to the Honourable the Minister of Labour who is looking exceptionally natty this morning I might say - I'll rephrase that introduction, Mr. Speaker. Can the Minister advise the House whether his department has been asked for assistance in solving or bringing to a conclusion the current labour dispute at Canadian Co-op Implements Limited?

MR. SPEAKER: The Honourable Minister of Labour.

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): Not that I'm aware of officially at this particular time. I assure my honourable friend that we're watching it very very closely but no formal request has been made as yet.

MR. SPEAKER: The Honourable Member for Morris.

MR. WARNER H. JORGENSON (Morris): Mr. Speaker, I'd like to ask the Minister a supplementary question on the subject matter raised by the Member for Fort Garry, and ask him if he would attempt to use his office to try and conclude that strike. It is going to cause some serious problems in the farm implement industry which is now already in a serious situation.

MR. PAULLEY: I will use every effort available to me in consultation with the parties concerned.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: I just would like to clarify a previous answer so as to make sure that I am not inadvertently misleading anybody. The suggested program by which Ottawa wishes to take care of some of the deficits that arose in the first year of operation, is suggested to be implemented in such a way as to reduce the dead-weight debt of the Freshwater Fish Marketing Corporation by contributions from the Federal Government and the Provincial Government. So it would not be charged as an operating expense of the corporation, it would be given by the government as a grant to the corporation.

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

MR. ASPER: Mr. Speaker, I think the record should show that. . .

MR. SPEAKER: Question please.

MR. ASPER: Yes, Mr. Speaker, my question is to the Minister responsible for the Department of Mines and Natural Resources and responsible for tabling the report he did yesterday in the House. My question is that in his statement to the House he states on Page 3, under the heading Taxation, "the existing level of royalties and taxes charged to existing operations will probably remain relatively unchanged." My question is, is that statement consistent with or does it supersede the statement in the report he tabled which says in paragraph 6 on page 348, that before the new taxation system is designed and implemented the existing royalty

ORAL QUESTIONS

(MR. ASPER cont'd). . . rates should be raised to realize the 30 million dollar target.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, there is nothing inconsistent in the two statements, but let me say this. The report does not constitute the policy of the government and I indicated that yesterday. The policy of the government is as was contained in the mineral statement. I think that probably, and the Minister of Labour will be the one who will chastise me the most, this report should not be filed, that it is an internal document, it is a document which is normally not a document which a government should file. However, because of the obvious public question that would have arisen if we did not file it we chose to do so. The report does not contain the policy, the statement contains the policy. If the honourable member will read the statement he will see that when I discussed royalties I said that in the event that the new tax could not be expeditiously implemented we would use the royalty to try to realize additional revenues. So that doesn't appear to be inconsistent.

MR. ASPER: Yes, Mr. Speaker, a question to the same Minister. In view of the fact that the objective of his department is to raise \$30 million from the mining industry and the budget last night indicates that much will be earned with the new tax that was referred to last evening, is there any further tax or royalty increase implied in his statement?

MR. GREEN: Mr. Speaker, the objective of the department is to do what the objectives of the government are. The objectives of the government are not contained in what the honourable member is reading. I've tried to explain that, I see that the Minister of Labour is right, that that kind of document causes confusion, it doesn't cause open government, it causes people who obviously can't understand or don't wish to understand the intricacies of an administration, to try to say that that then represents the objective of his department. The Task Force was asked to do certain things, they did it, the government then makes a policy. The government policy was indicated by myself; the government policy indicates that there will be two things: (1) That we hope to keep royalties relatively unchanged and we hope to introduce a new tax. Those two together deal with the revenue, that revenue is expected to be in the neighborhood of \$30 million as against approximately 15 to 18 at the present time.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: My question is to the First Minister and it deals with Manitoba Hydro. I wonder if he can indicate to the House whether it will be the intention of the government to provide for the residents of Northern Manitoba a preferential power rate?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, the Manitoba Hydro rate schedule is such as to provide for certain categories of rates relating to communities of given levels of size and in the rate schedule which was distributed yesterday one can see that we have attempted to bring about some compression in the variation of rates and that the amount of increase that is involved with respect to communities in northern Manitoba and rural towns and villages is relatively less. That is the only reply I can give my honourable friend. We do not intend to proceed at this time to any kind of regional rate schedule but intend to remain instead, to remain with a rate schedule that relates to communities of different categories of size.

MR. SPIVAK: A supplementary. Then I take from the Premier that the government has no intention of providing a preferential power rate for northern residents.

MR. SCHREYER: Well, Mr. Speaker, it hasn't in the past and it doesn't at the present time and if there is a change in that respect it will be a matter of policy to be announced, a matter which would have to be decided; it's a matter of public policy involving both the board of Manitoba Hydro and the government of the day.

POINT OF PRIVILEGE

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

MR. GREEN: Yes, Mr. Speaker, I did indicate earlier in the week now that we've come to the Orders of the Day that I have a point of the privileges of the House to raise with you and I said that I would raise it when the principals were here, and now I note that the Leader of the Liberal Party is not here, so--House Leader, Excuse me. Well, Mr. Speaker, that is a Freudian slip of the tongue. That is both a Freudian slip of the tongue and a forecast, Mr. Speaker.

POINT OF PRIVILEGE

(MR. GREEN cont'd)

Can we move then, Mr. Speaker, knowing that I do wish to bring it up. There are a couple of other things. April 3rd is the Royal Winter Fair and I understand that there is a disposition for the House not to meet on that day and this --(Interjection)--Let's not aggravate the situation. That we would not meet on April 3rd, that we would not meet on Easter Friday - Good Friday - we would meet on Easter Monday as has been the general procedure, and that we can make Thursday, Friday if you like. In other words, we can have a Friday schedule on the Thursday before Good Friday. If what I have just said meets with general accord, I'll continue, if not--it appears that we have general accord.

MR. SPEAKER: The Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, I haveno objection to that but what disturbs me is that we would lose Thursday morning for Committee and we are running short of Committee time for a number of Committees. I wonder if the House Leader would consider having the Thursday morning free for Committee and sitting Thursday afternoon until 5:30.

MR. GREEN: That's quite agreeable. We are prepared to have Thursday as an ordinary day.

MR. ASPER: But not sitting Thursday evening?

MR. GREEN: We would not need - yes, quit Thursday at 5:30, but leave Thursday morning for Committee meetings if they're to be scheduled. Agreed? (Agreed) Mr. Speaker, could we now then move to the motion of the Honourable the Minister of Finance on third reading, Bill 34.

Adjourned debate.

THIRD READING - BILL No. 34

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSEN: Mr. Speaker, the motion before us gives me an opportunity to raise a . . .

MR. GREEN: Mr. Speaker, I inadvertently--if the honourable member will excuse me for a moment. The Budget Speech has precedent and has to be called first, then we move to . .

MR. SPEAKER: Very well. I shall call the adjourned debate, second sitting of the Budget. The Honourable Leader of the Opposition.

MR. SPIVAK: . . . have this matter stand.

MR. SPEAKER: Agreed? We proceed to Bill No. 34, Third Reading Debate, the Honourable Member for Morris.

MR. JORGENSEN: Mr. Speaker, I was saying the motion before the House now gives me the opportunity of raising a few matters that I think are more appropriately raised on this occasion than any other that has been presented before the House at this time. And the first one that I would like to raise deals with a statement that was released by the Minister of Mines and Resources this morning concerning the flood forecasts along the various rivers in the Province of Manitoba. Sir, the indications are now because of the weather, for anybody to attempt to forecast the flood conditions along any of the rivers of this province, the weather plays the most important factor. You can have all of the ingredients of a flood leading up to the spring runoff, and if the spring runoff is a normal pattern of freezing and thawing alternately the danger of flood is minimized.

However, what has been happening in the past few weeks with persistent cold weather now leads me to believe that we are going to be faced with some flooding problems along some of the rivers in Manitoba, and the forecast that was just tabled by the Minister of Mines and Resources indicates that that condition will exist along the Souris River, the Pembina River, Dead Horse Creek, Whitemud River, the Swan River, the Icelandic and Fisher Rivers. Sir, with the potential of flood danger along all of these rivers, many of which go through some of our major rural communities, there will be increasing anxiety on the part of the municipal officials in those communities as to what preparations the government is taking, and indeed, what preparations they must make themselves to mitigate the effects of flood.

I, Sir, have lived through three of them along the Red River and I know that the most important thing that can be done is the preparation for a flood. The statement that was made by the Minister the other day indicates that he feels, and I suppose it's a decision on the part of the government, that the responsibility for ordering the materials that may be required for flood, that is sandbags and sand, rests with the municipalities --(Interjection)-- Yes, the

BILL 34

(MR. JORGENSEN cont'd). . . Minister just says "initially" and that's just the point that I want to make, because the situation then is a rather confused one.

As I understand it, if the danger of a flood arises to the point where it looks as though there must be some provincial government intervention, then an emergency is declared and the provincial government steps into the picture. The difficulty with that kind of an arrangement, Sir, is that municipalities who will then be responsible for ordering sandbags in the initial instance are going to be very reluctant to do so very reluctant, because the latest information I have that those who are supplying sandbags are doing so at the rate of 22 cents a bag. That is a considerable cost to a municipality. And in discussing the matter with the municipalities that are in the greater danger of flood I find that they are very reluctant to place orders for sandbags at that cost, having to bear the burden of that cost, in the event that flood does not occur, or, on the other hand, in the event the flood occurs to the extent that there will be provincial involvement, in which case they could have saved themselves that amount of money if they'd wait until the Provincial Government takes over. But if they do that, then they are saddled with the cost of the purchase of those sandbags. So what you're going to find I would expect is that many of the municipalities are going to just sit back and wait and the difficulty is that when the danger gets so great then it's too late, grain cannot be moved. I have experienced the difficulties in moving grain by barge during flood periods, moving furniture out of buildings moving livestock - all of these are made increasingly difficult as the danger of flood approaches, and I would hope that the government, right now, would take seriously the suggestion that I'm about to make and that they will call in the representatives of the municipalities to discuss with them precautionary measures and measures that should be taken now - and I'm particularly referring to the need of moving grain out of the danger areas. The weather at this moment being as cold as it is, the farmers will be able to move grain if it will ever stop blowing. The municipalities that I've been in touch with have been experiencing this difficulty. They have been cooperating with the farmers by opening up roads to the granaries and no sooner do they open them up, they're blown in again. But hopefully that situation will not continue too long, and I know that the municipalities are actively working or cooperating with farmers in attempting to assist them to insure that the grain gets out. I understand, my latest report this morning was that there are boxcars moving in and the suggestion I made to the Premier the other day about getting in touch with the Wheat Board and railways to insure that there are boxcars available for the movement of grain seems to have been acted upon whether it was on his initiative or whoever's initiative it was, and that situation could be in hand. But I am still concerned about the possibility of the municipalities not taking the kind of initiative because of the expense involved that may be necessary to insure that the proper precautionary measures are taken at this time.

I know that the Town of Morris and the Municipality of Morris are stockpiling sand and gravel which has to be done at this time before road restrictions are such that they are not able to move that, which is something that is well within their capability and something that they are doing. But I would hope that the Minister of Mines and Resources, who I believe has the initial responsibility, would act on the suggestion that I've made in order to have a clear understanding with the municipalities as to who will assume the responsibility for insuring that there are sufficient quantities of flood-fighting material that will be necessary in the event - and we still hope that it won't occur but every day that goes by now reduces my hope that it won't occur, because the greatest danger lies in the continued cold weather until late in the spring season and then to have exceedingly high temperatures in a short period of time would cause runoffs that would naturally create not only general flood conditions but the danger of spot flooding which is some thing that is more difficult to predict and indeed, in many cases more difficult to fight.

So having drawn attention to that one particular problem, I then go to the second one that seems to be of increasing concern to farmers, and it was the subject matter raised by the Member for Fort Garry earlier this morning when he directed a question to the Minister of Labour, and that is the continuing strike at CCIL. Sir, the farming community are in a situation now where prices of farm machineries are rising so rapidly, and indeed all farm costs, that the effects of the increase in the price of farm products are such as to have been almost wiped out as a result of the increased costs that are now occurring. Added to that, Sir, is the shortage of farm machinery that is now available. We in western Canada have long

BILL 34

(MR. JORGENSEN cont'd) . . . felt the effect of having almost the entire farm implement industry located in eastern Canada and there have been many speeches made in this House, there have been many speeches made by farm leaders across western Canada about the need to develop an industry in Western Canada to supply western Canadian needs.

I think two industries located in Winnipeg in the past number of years have attempted to fulfill that need, one of them has been the Versatile Manufacturing Company who I understand are now expanding because of a demand that they cannot hope to fulfill. The other one, Killberry Industries that have recently won a contract from Massey-Harris to produce at least - if not the entire machines, but components parts for Massey-Harris machines in Winnipeg which will afford extra employment opportunities for Manitobans. The third one is CCIL long established in this province. I see the Minister of Mines and Resources is going to correct me on something.

MR. SPEAKER: The Honourable Member of Mines and Resources.

MR. GREEN: Oh no, no not at all. As a matter of fact I agree entirely. I would ask him whether this is one of the moments when he could say that the MDC virtually saved at least two of those industries and facilitated the third one?

MR. JORGENSEN: I'm not sure that I would say that the MDC had anything to do with saving Versatile. Well, the Minister can put his interpretation on the effects of the Manitoba Development Corporation - and if that is the case then I must say that I will be happy about that.

Now then the third industry is Canadian Cooperative Implements Limited, a Cooperative organization that has been struggling for years to build up a market in western Canada. The opening of the new facility here in the City of Winnipeg designed to meet a growing demand and to employ additional workers in this province has been precisely the sort of thing that farm leaders in western Canada have been advocating for so many years. It's, you might say, the answer, or at least, was thought to be the answer to the industrial development of western Canada because the market for the product was here right in western Canada as well.

But, Sir, if the present negotiations are going on between the employees of CCIL and the Co-op are allowed to continue, I fear that the results of the delay in the settlement of that strike could have serious consequences on the farming community. There is a critical shortage of farm machinery and the need to put forth every effort in rural Canada to produce the food that is going to be required to meet what could well be a famine situation in the world and indeed is in certain parts of the world, is something that both the management and the unions in that plant should be giving some thought to, rather than the nuts and bolts of the particular dispute that goes on in that industry right now. Unless machinery is made available with which to put a crop in and take a crop off, the difficulties that are going to be faced by farmers because of the demand creating higher prices is one that will be felt throughout the entire world, not only in the agricultural industry itself.

Sir, when the price for agricultural products began to rise everybody thought what a wonderful thing it was and the Minister of Agriculture and myself attended a meeting that was sponsored by the Winnipeg Chamber of Commerce two years ago I believe, or years ago. At that meeting I warned of the danger that we would be facing, that high costs would be precipitating higher prices of farm implements and the inputs that go into agriculture, that there would be very little likelihood that the price of those inputs would go down even if the demand slackened off; but that the price of agricultural products would follow world demand and the prices would go down in accordance with the demand for those products. Farmers then would be faced with the situation where the cost of the inputs would remain at a high level while the prices of their products that they produce would follow the world market demand. That, Sir, would create an even worse situation than we have ever had in the agricultural industry. I warned of the danger at that time. That has happened. It's happened in the pork industry now and it's happened in the beef industry and the Federal Minister of Agriculture is now desperately striving to plug all his fingers in the dyke with very little success, because the situation is one that seems to be obviously beyond his control. The irony of the situation is that the measures that he's choosing to alleviate the situation is indeed causing more problems. And I won't go into that right now but as an aside I will say that the Budget presented here last night by the Minister of Finance is similar to that situation. He took a great deal of pride and strutted in his place last night bragging about the measures that they were taking to alleviate the effects of inflation, which from the Minister's point of view is a self-inflicted wound, while

BILL 34

(JORGENSEN cont'd) at the same time the measures that they were taking would increase the effects of inflation and would contribute to it. So one wonders if this kind of economic nonsense can continue for any period of time before a complete collapse takes place. I predict, Sir, that it will be a matter of one or two years before there will be a collapse of the economy not only of this country but . . . (power failure)

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSEN: I don't know whether we're back on the air or not but the power is back on.

I was making the point, Sir, before the power went off, that if we continue to try to solve a problem that exists because of something governments have done in the first instance by accentuating that problem, then it's only a matter of time before one of two things are going to happen. Keith Rapsey, the President of the Manufacturers' Association just recently made a statement to the effect that within a short period of time this country will be completely totalitarian, everything will be run by the government. I think that is one alternative, Sir. The other alternative is no less desirable, but if I was given the choice between the two, I would take the second alternative, and that is a collapse of the world economy and a depression. Because you can recover from a depression, we've shown that we can do that; but you cannot recover from totalitarian government.

Sir, measures proposed in the Budget are the measures that are being proposed by governments across this country to alleviate a problem that was created by government themselves. Inflationary pressures are created initially by governments - and I won't go into that now but I'll deal with that a little further when the Budget debate is on.

There's another point that I wanted to raise at this time however, and that's the question of the workings of this place itself. I've said on many occasions that the responsibility of an opposition in this Chamber is to examine and to question the government. The system is based on a few presumptions, that unless they're fulfilled the system itself breaks down. The first one is that when - and I know that there is certain information that a government must keep to itself in the process of making decisions. I'm not one of those who has ever asked for a government to do that - and the tabling of that document that the Minister of Mines and Resources tabled yesterday is an example of an in-House document that I have never felt needs to be tabled, we appreciate that he has done that. But then there is other information, information that the Opposition would like to have, and I think that providing information by the government surely must be something more than the Government Information Services providing us with snowmobile tips and bicycle hints. Surely it must be the sort of information that the opposition seeks not what the government wishes to feed out.

There are four ways that we get information. One is during the question period. That has limitations, which Your Honour is rightfully attempting to oppose - with some difficulty I might add - because the question period traditionally is one in which members would seek information that is of a somewhat urgent nature, not something that can be obtained on any other occasion. Sir, one difficulty leads to the other. I have attempted during this session in particular to avoid asking those questions on the Orders of the Day that need not be asked and which I believe are out of order. And I have attempted to seek information in another way, a more legitimate way, with no success. And so if you can't get information one way you try another method, and if you can't get it another way then you try another method.--(Interjection)--Well, the Minister says: Have patience. And God knows, I've had a lot of patience with this government and I have demonstrated it on many occasions the kind of patience that I've had. But, Sir, how long does it take for a government to answer this kind of a question? How many persons on the ministerial staff of the Department of Agriculture? Sir, does it take two months to count the number of people on his staff? What are the titles and the duties of each member of the ministerial staff? What are the education and experience qualifications of each member of the ministerial staff? What is the salary and contractual obligation of each member of the ministerial staff? Each one of those Ministers - and those questions were put on there separately for a purpose, because I know there are some who are less intelligent than others. Some are less willing to give information than others, and some that have no administrative capability or have less than others. It was an effort to find out or to single them out; it was an effort to get information so that one Minister would not have to be dependent upon the other, the slowness of the other. By posing the questions in this way, Sir, it gave each Minister an opportunity to reply without having to be

BILL 34

(MR. JORGENSEN cont'd) bound by an Order for Return which would require that all answers were provided at one time. An Order for Return, Sir, is one that requires information from two or more departments. The questions that are posed on the Order Paper standing in my name and names of other members of this side of the House are legitimate questions, some of which could be answered in five minutes. They've been on the Order Paper for almost two months. And in order to circumvent the rules of this House, in order to avoid answering questions that could be embarrassing, the First Minister stands up in the House the other day and announces that these questions are going to be answered as Orders for Return. Sir, there is absolutely no need for those questions to be answered in that fashion at all, because they do not require an answer from any more than one department. If ever there was a blatant and obvious attempt on the part of honourable gentlemen opposite to avoid the responsibility and to refuse to answer questions in this House, I have never seen a more glaring example.

The other method is getting information through the consideration of Estimates. That I think would be an appropriate way of seeking information, because it covers all departments of government and enables members of this side of the House to pose questions to Ministers with their officials in front of them. That was a rule that was brought into this House a couple of years ago, and there was a purpose for that. Because in the past, prior to the advent of allowing the ministerial assistants to sit in front of the Minister and feed him answers, the tendency was for the Minister to say: Well, I'll get that question, I'll get that question answered for you and I'll give it to you at some later date. And I think that the questions that were asked during that period and never answered could be listed in the thousands, because it was usually forgotten about.

Then, Sir, there is another method of getting information and that other method is through Orders for Return, and that's a peculiarly handy device for the present government who use it, not as a means of attempting to provide information for the House but as a means of making sure that information is not provided to the House. But what is even worse than that - and I'm glad to see the Minister of Finance is in the House here now - is the providing of false information. Sir, I said earlier that it's important in this Chamber that when we ask questions that the answers that are given, to the best of the knowledge of the Minister are accurate and correct, because without which this system cannot work, this Chamber cannot work. Sir, the other day when the Minister of Finance introduced Supplementary Estimates, Capital Supply and Interim Supply, he introduced them in that order, that they would be dealt with - Supplementary, Capital and then Interim - and I wasn't sure whether that's the method whereby he intended to introduce them into the House; it might have been a coincidence. So I took the precaution of phoning the Minister's office, because it was important to us the manner in which we were going to deal with each of those set of Estimates, to know which ones would be coming first. The Minister, I fully expected, would be busy and would not be able to answer, so I asked one of his assistants. He said he'd call me back. Well, a couple of hours went by and finally a girl in the office phoned up and said: What was it you wanted to know? So I repeated the request to the girl in the office. She said: "I'll have the information for you in a minute; and she said: The information that I'm given, and I presume under the authority of the Minister, is that we'll be dealing with Supplementary Estimates first and then Capital Supply if Supplementary Estimates go through, and then Interim Supply. So you see, I did endeavour to establish the order of business that would be followed. But when we came into the Chamber what was called first? Exactly the reverse of the order that I was informed by the Minister's office that would be followed. Now I don't know whether that was deliberate, I'm not going to accuse the Minister of deliberately attempting to misinform me; but it does make a difference to the opposition when we get that kind of information, because it makes a difference to which will be brought up, and what subjects which will be raised. But this constant effort to attempt and mislead or double-cross the opposition, you know is a game that the Minister of Finance likes to play and maybe he gets some satisfaction out of doing that. Sir, it does not help the conduct of the business in this House, nor does it help the relationship that must exist between opposition and government if we are to get the business of this place done.

But on the question of Orders for Return, which is another method whereby we get information, it's interesting to note the comparison between the government and their immediate predecessors - and I have gone back a few years, I've gone back a similar number of years as we've gone forward since honourable gentlemen opposite came to power. From 1965 to 1969,

BILL 34

(MR. JORGENSEN cont'd) which were the years when honourable gentlemen opposite were not in power, there were 362 Orders for Return that were submitted - and out of that, during the same session, before the session was over there were 273 that were returned; that's 75 percent, a good record of a government that is honestly attempting to provide information or is attempting to avoid providing information. In 1965 there were 86 of them returned or passed, and 67 returned. In 1966, 76 of them had been ordered and 58 returned. In 1967, 79 of them had been ordered and 68 returned - and so on; in 1968, out of 57 there was 45 returned and in 1969, 64 ordered and 35 returned.

Now we come to the era of open government. Now we come to the point where honourable gentlemen took office, with their promise of open government and with their loud claims of providing the opposition with all the information that we want. Yes, we get all the information we want in the way of bicycle tips, in the way of snowmobile hints and the like, but not the information that we seek from this side of the House, Sir. When we seek information that we feel will help us and assist us in doing the job of an opposition, then there is evasiveness on the other side. They came to - in 1969, that was a short session, there were only 8 Orders for Return, and you'll note, Sir, there were far fewer Orders for Return presented during the last five years than there were during the five years previous to that. Only 8 in 1969, and that was understandable because that was a short session. Three were returned. In 1970, out of 47 that were presented only 30 were returned the same year - or the same session. In 1971, 35 were presented and only 18 returned. In 1972, 52 had been presented and only 26 returned. In 1973, 29 were presented and only 7 returned. Sir, that works out to less than 50 percent of those Orders for Return that are presented that are returned in the same year. Now ultimately they come in but, Sir, what is important to members of this side of the House is that when we submit an Order for Return that we have it the same year, not five years hence.

MR. GREEN: Would the member permit a question? Was there not a rule change in which honourable member participated, which indicated that returns which were not filed during the session would be filed after the session and that that rule change came after 1969; that previous to that change, the fact - when the session was over, the obligation to file Returns was over, and that after 1969 when the session was over, it was indicated that Returns would be filed intersessionally. Was that not a change?

MR. SPEAKER: The Member for Morris.

MR. JORGENSEN: The Minister misses the point. What I'm only dealing with are the orders that were presented and asked for and passed by this House and returned the same year. What I'm attempting to point out - that this government, notwithstanding any rule change it might have made, instead of endeavouring to provide information to this House when it is asked for by the Opposition, seeks to use a device that - to say the kindest thing you can about it - intends to provide as little information as possible and to delay the presentation of that information as long as possible. So that's the manner in which honourable gentlemen opposite have been dealing with the so-called theory of open government.

And, Sir, on the question of Estimates and I am going to take a moment to stop criticizing this government and to criticize another government that I think did the worst thing, the worst disservice that could have been done to this Chamber - and that is when Premier Roblin introduced the limitation on the consideration of estimates, because I think that has created most of the problems that we have today. When you can't ask questions and get information at one certain time of consideration of estimates, you can get it at another time. It's the reason for the broadening of the question period; it's the reason why other devices are used to seek information from a government. Sir, as long as we try to impose limitations of that kind on the right of members of this side of the House seeking information, then that information will be sought in other ways and it's a legitimate right on the part of members of this side of the House to seek that information and indeed to get that information. I've demonstrated, Sir, that in my view the government are deliberately, by the statement made by the First Minister the other night that he was going to reply to those questions that are on the Order Paper by way of an Order for Return, is a subterfuge and he should not be allowed to get away with it. Sir, what they want to do, is to avoid having those questions staring them in the face on the Order Paper because it's embarrassing for the people of this province to know how many questions they don't answer. And by attempting to transfer it as an Order for Return, they want to attempt to relieve themselves of the embarrassment. It won't work. Similar questions are asked in the House

BILL 34

(MR. JORGENSEN cont'd) of Commons, but those questions - although they may be answered as an Order for Return if the Minister decides that the question requires an answer from two or more departments, but the question remains on the Order Paper until it is filed as an Order for Return. And, Sir, notwithstanding anything that the Minister has said or the First Minister has said, those questions, the rules of this House remain on the Order Paper; if he chooses to answer them as an Order for Return that's the government's decision, but they remain on the Order Paper until they are answered.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I want to take the opportunity on third reading of this bill to make comments that are primarily directed towards the Budget that was tabled last night, and I intend to do this because I may not have an opportunity to speak in the Budget debate till pretty close to its terminal day.

So, Mr. Speaker, although we've only had a matter of a few hours to spend looking at the Budget, I think there are a number of things that could be raised and should be raised at this point. First of all, I think dealing with the programs that are presented in the Budget, you'd find anyone hard pressed to quarrel with some of the social measures that are being attempted by the government, in such things as Day Care Centres which have been on the drawing boards of course for, in one way or another, for many years and this would appear to be a more formal move in that direction by the government. I trust that in that particular case in Day Care Centres that the valid efforts that are being made by the private groups in the communities though will be built on through a support program and have that emphasized rather than the government going directly into the Day Care Centre business itself. As we know, there have been a large number of these Day Care Centre projects or Meals on Wheels or Meals at Lunch and this sort of program, have been fostered through such things as the LIP grants and have their beginnings already and will be looking forward towards getting further provincial support.

I don't want to dwell on the programs extensively, mentioned by the government in the budget speech. I would like to before dealing with some of the more directly financial affairs, I'd like to speak briefly on the rebate programs that seems to be the direction that the government is taking. We don't quarrel, Mr. Speaker, with the fact that a rebate program is required in certain areas where the government is not the determining factor on the cost being incurred, and I think that Pharmacare would fall into that category. The costs incurred on individuals through drug costs, of course, are beyond the scope of government and therefore if the government wishes to move to protect individuals against exceedingly high costs for this sort of a service or product, then their only alternative is a rebate type of a program, and I think in this case the Minister indicated that two million dollars would be devoted. I think that the overall picture, the costs for drugs in Manitoba runs to the order of \$50 million, so that it would appear that the Pharmacare Program announced would probably on average amount to covering the costs of about four percent of the total drug costs in a year. It works out at two million dollars of the order of \$5.00 per family per year or \$2.00 per person, man, woman and child per year. But the point is here that in something that is beyond the scope of government to control in the first place a rebate type of program such as the government is entering into probably is the right type of a direction to go, to control the impact of costs on certain individuals, so I don't think we quarrel generally. If government must move in that case then a rebate system is a logical way of doing it.

Now let me look though, Mr. Speaker, at the rebate program that is applied to school tax and to the tax credit plan that was announced last night. Mr. Speaker, in both of those cases the government is in the initial case the cause of the problem that they're trying to correct - that is, in school tax rebate the problem is caused of course because the grants to the school boards, which are the creations of the Provincial Government - school boards are created by the Provincial Government - delegated certain responsibilities, and in carrying out those responsibilities incur taxes on local citizens and in order to get around the impact of those taxes, the government comes around from the other direction and says; We will give you a rebate because those school boards are charging you too much on your property taxes. Well, Mr. Speaker, it's this sort of a circuitous way certainly has political attributes to it for the government in power, because they can make themselves look like real good fellows. But, Mr. Speaker, from a strictly logical point of view, if the problem is at source, which is the financing system of the school divisions, should the taxpayers indirectly be imposed to

BILL 34

(MR. CRAIK cont'd) another cost, to hire a staff, to figure out a rebate for them? Mr. Speaker, all these systems are really a problem created by the government by a source tax error in the first place, attempted to be corrected with a band-aid approach to hiring people, to pay back money they shouldn't have taken away in the first place. So that's different than Pharmacare. Pharmacare costs incurred are not in the control of the government, but school taxes are, they're put on by the government in the first place by the creations which are the school boards, and it's a nonsensical way. If there is a problem, fix the problem at source.

And now we move in last night to an announcement of a tax credit program, rebating to people next year \$14 million that they have taken away through inequities in the taxation system, but giving it back to them again by a circuitous route that is similar to the school tax rebate. Now, Mr. Speaker, at the same time, they're going to give back to the people \$14 million; they are taking away this year an additional \$31 million over last year in personal income tax, so they're taking away 31 on the one hand and giving them back 14 on the other hand, with the line of reasoning that it's going to go back to the people that least have the ability to pay these taxes. But, Mr. Speaker, the taxes are taken in the first place on an ability-to-pay principle. Now if the ability-to-pay principle mechanism is wrong, why isn't it just fixed? Why isn't it changed at source? So it's an extremely complicated way for the government to get its money back from the people, extremely complicated.

MR. CHERNIACK: What is your suggestion?

MR. CRAIK: Well, Mr. Speaker, the Minister says, what is your suggestion, I just said if there is a problem at source, then you fix it at source.

MR. CHERNIACK: How?

MR. CRAIK: By changing your rate structure. Well, Mr. Speaker, --(Interjection)-- Well, it has to be in the exemptions, in the rates at source, but if the money is going to be taken away from people and you're going to take it progressively off their payments all during 1974 - and then in 1975, when they file their taxes, tax slips or statements, which is a year later or upwards to a year later, they have to ask for a rebate back - and it's, you know, how tangled a mess are we getting into in these rebate systems that are really the making of government in the first instance? So this year we take away, by the information tabled by the Minister last night, all during the course of 1974, we'll take away \$31 million more than last year, and in the spring of '75 we are going to give back people 14 coming from someplace.

So, Mr. Speaker, we have always stuck with the argument hoping that the government would listen to us, that the rebate system applied in taxation is a complicated, unnecessary system that imposes because of the administrative requirements to handle it, an exceedingly high and unnecessary cost; the cost of the administration of these things, it means hiring more people, building up departments, setting up an administrative branch to administer all of these things that were not necessary in the first place. So to be against giving the people money, of course, is like being against motherhood, and the present government has a habit of bringing up these programs that they try and sell through advertising programs to put themselves in the support of motherhood position. But we have no hesitation and we voted against before the school tax rebate, knowing full well the political implications but convinced in our minds that it was an inefficient way and unnecessary way of taxing the people.

Mr. Speaker, the Minister referred last night --(Interjection)-- Yes, well, two wrongs don't make a right. Mr. Speaker, to prove a point, in 1966 the former administration had a school tax rebate program and we at political expense got rid of it in 1967, because we realized - and I'm sure the Minister, if he had an ounce of intellectual honesty in his bones would stand up and say, it's an expensive way to administer a program, to take money away and hire people to give it back. (Applause) So the government --our record is clean, Mr. Speaker, we're not advocating something we weren't prepared to do ourselves. --(Interjection)-- You know, the Minister is now literally hiding behind the actions of another province, Mr. Speaker. This is a regular practice when we get into debates of this sort to say: Gee, Ontario's doing that; we know B.C.'s been doing it for a long time. Well, Mr. Speaker, as I say, two wrongs don't make a right; it's still a lousy way and an expensive program, and I suspect that all the other provinces continue to do it because it's typical bureaucratic fashion - when you set up a bureaucracy to administer these things, you don't know how to get rid of the bureaucracy after they get into operation, and you just continue doing it whether you want to do it or not. So the fact that other provinces are doing it is no justification. I'm surprised, Mr. Speaker, that the

BILL 34

(MR. CRAIK cont'd) present government hasn't seen long ago that these rebate systems are an inefficient and illogical way of feeding back money to people that you shouldn't have taken away in the first place. There are advantages of course, you get the use of the money for a full year and you can hold it in your hands for a year, collect your interest off it and then give it back to them next year, but in the meantime you probably have made a bit of money along the way. --(Interjection)--Yes.

Well, Mr. Speaker, one other important matter I think that should be commented on here with regards to the Budget address, is that out of the gross provincial product as stated last night we find that we've hit an all-time high of \$5.2 billion in Manitoba - and I couldn't help but think that the Minister opened his statement last night with a few philosophical gems of wisdom, and then he launched right into the old crude growth jargon that every other Minister of Finance uses and which occupies 95 percent of his speech, and then he closed down, Mr. Speaker, with another few philosophical pearls of wisdom and we had our Budget debate. Along the way he told us that \$5.2 billion of gross provincial product now sets the all time record.

Well, Mr. Speaker, there's something different though about this year's gross provincial product. It's also probably set a much higher record for government spending in that gross provincial product. The Budget that was stated last night, tabled last night, 834 million, added by almost an equal amount in capital borrowing, Mr. Speaker, that was also tabled with us a few days ago of \$700 million - that's not including the carry forward of authorities from last year, Mr. Speaker, which brings us up to in the order of 1.5 billion, means that of the 5.2, one-third, almost one-third, 30 percent is provincial spending and of the third, one-half of it is borrowed money. So what is happening through the large capital projects, primarily Manitoba Hydro, is that we have a self-induced growth going on in Manitoba where the money is being borrowed by the government; which represents one-sixth of our gross provincial product is borrowed taxpayer money pumped into the economy but actually being set there as a debt - albeit a self-retiring debt at some point in time - but one-sixth at least of the money and one-third of the gross provincial product, if you add together the province's budget plus the capital borrowing authority, is made up by the provincial government; and one-sixth of that is capital borrowing authority that is going into the economy, one-sixth of your \$5.2 billion is annual borrowing authority of this government, \$700 million, Mr. Speaker. --(Interjection)--Well, the Minister can correct me if I'm wrong. Six hundred and--six times--well, Mr. Speaker, very close so let's say one-seventh then. Is that close enough? One-sixth or one-seventh is capital borrowing authority, so we have this self-induced--\$699,335,000 in capital borrowing authority.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I'd like to ask the member who is speaking on the Budget Speech whether he will not recognize that all the information given to the House in relation to the authority being requested in Capital Supply deals with some \$250 million worth of Hydro borrowing authority is stated would not be borrowed in this year but is over a two-year period. Would he not agree that that's the case?

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, though if I do that I have to take the carry forward from last year which just about balances it. Well, the total you gave us, Mr. Speaker, the total is close to a billion dollars so I have discounted the amount to balance off the carry over versus the carry forward. Well, Mr. Speaker, I can be corrected. I think I'm in fact on the low side in stating \$700 million.

So, Mr. Speaker, of this \$5.2 billion achievement pointed out by the crude growth Minister last night - I mean during his crude growth remarks, of the 5.2 it's a self-induced economy and one-sixth of it at least based on borrowed taxpayer dollars. Now it's going to carry on for a while, because the Nelson River project is going to carry on. But what it does Mr. Speaker, it requires of us to ask for some sort of yardsticks that are different from the bad old days where you simply looked at whether the Budget was balanced or not. The Minister very appropriately brought in a balanced Budget last night - but when you have capital borrowing, not only for Hydro, but over 30 million for General Purposes that used to be in Current, how do you compare any more? You've got as much borrowing for one reason or another as you have budget, current budget. So how do you compare? You can't. The claim of a balanced budget hasn't got the same meaningful connotation that it had

BILL 34

(MR. CRAIK cont'd) traditionally with this size of borrowing. I doubt, Mr. Speaker, other than perhaps Newfoundland this year, whether you would find any other provinces that have ever found themselves in a position where their capital borrowing authority would match their yearly budget - and this is certainly a milestone for Manitoba, because it throws all calculation and all yardsticks out that you would traditionally use to determine your actual financial position.

Now let's go on to the Statement of Debt. The Minister says that the debt servicing charges are \$10 million a year, but if we look at the total borrowing authority that the government has asked for since 1969, it totals two billion dollars, and two billion dollars is \$2,000 for every man, woman and child in Manitoba, \$5,000 for every family. That's borrowed capital authority since 1969, and the Minister prefers though to present the statistics in a fashion that shows a dead weight debt rather than the complete picture of all debts that are incurred by the province. The technique of course is not a new one. Blackie Bennett did this regularly in B. C. and set the new pattern, and to some extent it was done in Manitoba before, but with the massive amounts of borrowing that are going on now this expression of debt really isn't even meaningful any more. It doesn't mean a thing. The dead weight debt is very little more than a technique for the government to portray a picture that is favourable to the government of the day, because it is not - it doesn't mean anything. And we have debts now that are incurred by the MDC, CFI, all of these have not yet been accounted for, so the debt picture presented at this point is one that doesn't in any way present a true picture.

Now, Mr. Speaker, I want to deal with another statement made by the Minister last night, and this is where he deals with corporate profits and the rise in corporate profits. He says these increases account for a substantial portion of the inflationary pressures in Canada today. Mr. Speaker, if we go to the Minister's tabled information, we find that the corporation taxes that he's projecting for the coming year go up from 41 million to \$50 million, a rise of \$9 million. Now it's not a very substantial increase in taxes to be gained by the province, but it also reflects that the corporations - you couldn't imply from this that the corporations in Manitoba at least are going to make substantial increases, and I think that's a reasonable observation. If they were going to be--(Interjection)--Well, it would indicate that it's not - the increases that are going to come from individual income tax go from 166 to 197 million, an increase of 31 million; and the corporation tax well, as I say, goes from 41 to 50, it's an increase of 9 million dollars; the revenue tax, sales tax, goes from an estimate, last year's estimate of 95 to 125, a 30 percent increase.

Well, Mr. Speaker, the point I'm trying to get at here, I think the Minister alludes to corporate profits, because philosophically he has to take a slice at free enterprise, that's traditional - and in more ways than one they're going to get at the enterprise system through their mining policy - but the important thing here is the evasion of responsibility that wasn't remarked on by the Minister, and that is, what is the impact on government spending on inflation? And I think the people of Canada generally are getting pretty cynical about the remarks of all governments with regards to inflation because it's becoming increasingly apparent to most people that government is the biggest offender. Government is actually thriving on inflation. As a matter of fact, it's really the main reason why the Minister presented a balanced budget last night - and the personal income tax stated in his report has the answer right in it, because if it wasn't for inflation people wouldn't move up into higher tax brackets and wouldn't give the government these windfall gains in taxation that they achieve through inflation. So really there's an almost incestuous relationship between the governments of the day and the results of their activity bringing in increased revenues to them; an incestuous relationship, Mr. Speaker, because they can stand up and lay the blame for it at the feet of the corporations - but in actual fact, look at the statistics, look at the complete statistics - and it lies with government. And all governments are the same way, and I'm sure that there isn't a provincial treasurer in Canada who wouldn't take the same attitude to defend his position as the Minister of Finance is here. But it's wrong, Mr. Speaker, and I think the people of Canada generally know it's wrong and sooner or later it's going to catch up. It has to catch up, because governments can't go on forever without the people realizing that they are the ones that are very largely at fault. Can the Minister say - he answered a question the other day put to him about whether his Budget would accommodate itself in an inflationary period to curtail inflation after the Federal Budget came down showing a 23 or 25 percent increase, and the Minister's answer at

BILL 34

(MR. CRAIK cont'd) that time was; you should read the paper I gave, you should read my statement. I haven't read it, Mr. Speaker, because I don't know which one he referred to, but we read his statement last night, and when you add Supplementary Estimates to Main Estimates the increase in Manitoba's Budget is 21 percent. So we have at the Federal level an increased spending of 23 or 25 percent, whichever the figure is of that order - and with Supplementary Estimates in Manitoba, we have now increases in spending this year of 21 percent. And, Mr. Speaker, the Minister stands up last night and says these increases in corporate profits account for a substantial portion of the inflationary pressures in Canada today. Well, Mr. Speaker, I think that we'd be most interested to hear from the Minister as to what portion of the inflationary pressures he refers to are due to the Budget brought down by himself and by the Minister--and by the Federal Government less than a month ago.

A MEMBER: Would the honourable member permit a question?

MR. CRAIK: Well, Mr. Speaker, I would ask at some point that the Minister refer to this, because this is the critical question that the people--(Interjection)--Well you can - Mr. Speaker, I'm sure that the Minister will speak on the budget debate--(Interjection)--Yes. Well yes, when I'm finished if you have a - when I'm finished, Mr. Speaker, I'd be . . .

MR. SPEAKER: Order please. If the two gentlemen wish to converse would they step outside. The Honourable Member for Morris.

MR. JORGENSON: Mr. Speaker, the Member for Riel has the floor and if there were any interjections or any infractions of the rule they were caused by the Minister of Finance, not the Member for Riel.

MR. SPEAKER: Order please. Much as I appreciate the Member for Morris' comments, and they are to some degree pertinent, but I think it's also the attitude of the member on the floor if he addresses himself directly instead of to the Chair, that's what happens. Therefore the Honourable Member for Riel has another seven minutes.

MR. CRAIK: The trouble is when I address myself to you, Mr. Speaker, you always agree with me and I can't get fired up that way. I'm having a little trouble getting fired up anyway.

So, Mr. Speaker, covering the waterfront here as rapidly as I can, having read this Budget Speech only since last night, but in this case attempting to constrain my comments to the Budget Speech. But the business of blaming corporate profits for inflation I think is at least a question mark. It raises the question, what is government's responsibility in this whole picture? And the Minister of Finance with his phalanx of advisers should be able to give us some sort of a comment as to what he thinks that his role is, his department's role or his government's role is and that of the Federal Government, when you're in a period of inflation like we're in right now. Because it seems to us that he's guided more by the traditional principle of, we shall spend every cent we can collect, and that's the same philosophy that's guided governments probably since the democratic system started. But in the present--we've never before been in a period where there's more question marks with regards to inflation and if he wants to show some initiative let's give more than the standard old philosophical statements but no actions to back them up.

Well, Mr. Speaker, the other point I want to mention here is with regards to the northern pipeline. The government has been pressed by the opposition for some time now to get moving with regards to Arctic Island Pipeline, and I bring up this topic at this point because despite the questions, proddings from the opposition, we really haven't had any action by the government and it's an important issue.

Contained in the March 7th issue of one of the Ontario papers, there is a statement where the Ontario Government is not only getting behind this matter at this point to influence the location of this line, but they are also going to the point of attempting to buy into the company that will likely build the line. Well, Mr. Speaker, this has gone a long way beyond where Manitoba evidently is; Manitoba is sitting with a vulnerability to a natural gas supply that is equal at least to Ontario's. They are sitting with a vulnerability to the location of this line, because if the Quebec interests are successful, Manitoba will be deprived completely of this coming through any portion of Manitoba. And what they can do at this point, is at least take a more aggressive role, similar to that which is being taken by Ontario, to get behind this thing now, get what studies underway that are necessary.

BILL 34

(MR. CRAIK cont'd)

The first thing that is faced are the environmental studies to determine whether or not there is an optimum routing for this thing, and if they intend to leave this entirely to the company, then that's fine - let them stand up and say that, so at least the companies involved will know. Let them say to the companies, we are interested in talking to you, but we advise you to get your studies underway now because it takes time to do these things. But, Mr. Speaker, we've had absolutely no response from the government with regards to this and here we sit - with the Premier of Ontario, with his picture on the front page of one of the Ontario newspapers saying in bold headlines about the aggressive role they're taking to make sure that this line comes through Ontario, and to the extent that they're prepared to invest in the company to make sure that they can influence its location - and we've had absolutely no response from Manitoba. As a matter of fact, in the whole field of energy supply, the conclusion you have to draw from this session's activities is that the government hasn't demonstrated any real awareness of what is happening. We haven't been able at this point to determine from the Minister of Industry and Commerce what the impact will even be on Manitoba prices if in fact Alberta and Saskatchewan oil goes up on the 1st of April, which is only ten days away, a week away, Mr. Speaker, and we have had no action taken on the northern pipeline. We are having very little success in getting any response from the government. We get more response out of them, Mr. Speaker, on non-issues than we get on the real issues, but it demonstrates their philosophical bent - we have no mention in last night's Budget about incentives for development other than the government's own development. The fact that the gross provincial product, one third of it is made up by government spending itself, demonstrates where they even prefer to put the emphasis - the fact that there is no suggestion in here except really a castigating remark about corporate profits, no suggestion in here in this Budget Speech that there are going to be any incentives provided to the private sector in Manitoba. We see rather than that, a further imposition on the private sector on business for hydro rates. We see at every corner being turned by the government a disincentive to the private sector in Manitoba, and we are at a period now where the government through the financial powers that it has, the bludgeon that it can exert in provincial matters, demonstrated by this budget here, a one third of the total provincial product. They are in a strong position to provide incentives to industrial development in Manitoba, but there's no suggestion, no suggestion, no encouragement anywhere, Mr. Speaker, in a period when western Canada is reportedly at a boom stage and we could well be looking at providing incentives to come to Manitoba - there is no encouragement for that private sector in this budget speech.

MR. SPEAKER: The honourable member's time is up.

MR. CHERNIACK: Mr. Speaker, would I be permitted by the House to ask a question?

MR. SPEAKER: By unanimous agreement only. The honourable member have leave to ask a question? The Honourable Member for Riel's time is up, that's been the agreement.

MR. CHERNIACK: Do I have leave Mr. Speaker?

MR. SPEAKER: The Honourable Minister.

MR. CHERNIACK: I ask the honourable member, since one third of 5.2 billion is something in excess of 1.7 billion, could he now or at a later date give us a breakdown on how that is government spending in one fiscal year period?

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Well, Mr. Speaker, the figures I used to repeat them was 834 million from Budget filed last night and in addition to that there is 700 million in capital authority asked for, primarily for the Crown corporations, but still through government.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: I would have difficulty adding that up to the figure, but the next question I would ask - and I don't want to take advantage of the leave given me by the House - is would the honourable member say that putting spending money in the hands of pensioners and people on low and fixed income is inflationary and therefore deplorable?

MR. CRAIK: Well, Mr. Speaker, the question is whether the question he's asking is out of context - the money - I suppose it doesn't matter where the - you've taken far more away and put it into your hands than you're giving back to them to spend but--(Interjection)--Well, Mr. Speaker, it may or may not - government is insuring that by spending all they earn is certainly insuring that it's all going to be in flow and that it seems to me is one of the root causes of inflation.

BILL 34

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Speaker, I would like to devote a few minutes to the debate on the subject at hand, namely the amount of moneys that this government is telling the people of Manitoba that they're prepared to spend. And, Mr. Speaker I would like to dwell particularly with the Department of Agriculture, and I think that this is a subject that is very important because it seems as though there are a number of issues that have become of real concern to our rural people, and I think also they are finding their way into the City of Winnipeg. And first of all I want to deal, Mr. Speaker, with one of the matters that concerns not only the people in my constituency but I think every rural constituency in the province, and that is, namely we're talking about the home economists who have provided a very essential and a very fine service to the rural communities in this province over the years. We now find, Mr. Speaker, that these services are going to be withdrawn from the rural parts of Manitoba. And I want to say, Mr. Speaker, that the Minister of Agriculture has prided himself in talking about the things that have been developed through his department in a way of a better life in rural Manitoba. And he has referred to the stay option; the stay option is applied to just about everything that he attempts to do and now we find ourselves, Mr. Speaker, whereby this is now being reversed.

I have an article here, Mr. Speaker, in one of the local papers, and I think that this should be read into the record here, because I think that what it contains is very important as to the subject at hand. And the article goes like this: "Home economists can help the province provide a more effective social development program if they join the other professions in servicing the needy, a member of the Manitoba Department of Health and Social Development said Monday night. Ralph Kuropatwa, Program Planner for Social Development, urged about seventy women attending a meeting of the Manitoba Home Economics Association to participate in the department's plan for social assistance. He said skills unique to the home economist, such as budgeting, home management and meal planning, are needed to help families organize their lives and be more receptive to further social help."

Mr. Speaker, I'd like to stop here and wonder if this government is even going to find their way into the bedrooms of the homes of the lives of the people in this province. And if this is true, Mr. Speaker, comments like this coming through the press, it's got to be appalling to me, to say the least. If this is the best reason that they've got to switch these home economists from rural areas into the City of Winnipeg, then I think, Mr. Speaker, we have to take another look at the problems that the people have in the City of Winnipeg. I just fail to understand, Sir, the thinking of the Department of Agriculture to allow his colleague the Minister of Social Health and Development to take over his department. But, Mr. Speaker, that's exactly what has happened. That's exactly what has happened, Mr. Speaker. The Minister of Agriculture is trying to portray to the rural people that he believes in allowing them to live their lives as they so choose, but his colleagues on the front bench, I believe, are overcoming him with their philosophy that is certainly not in keeping with our rural areas of Manitoba.

The Women's Institute, for instance, Mr. Speaker, are very concerned about this matter and it all relates to the moneys that we're spending, the moneys that are being allocated to the various departments. They've asked me, Mr. Speaker, what I propose to do. Pardon? Yes.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: What exactly in that statement does the honourable member oppose, in the statement he read? Just what is it that he is opposed to?

MR. EINARSON: Mr. Speaker, my reason for bringing this subject up is the fact that they are taking home economists out of the rural areas of Manitoba and putting them into the City of Winnipeg, as I understand it. To probably try to help the people in the City to solve these problems that I've just indicated in this article. I think that they should find some other method of solving those problems, Mr. Speaker, rather than to deprive the people in the rural areas from the services that the home economists have been giving and are giving up to the present time in our rural areas.

We have for instance, Mr. Speaker, an organization known as the 4-H Clubs. There are a number of them, young girls who are growing up in the rural communities learning to become responsible, and when they become adult age to be able to accept their responsibilities when they go out to seek for themselves, and these home economists are serving to help do that kind of work, Mr. Speaker, through the organization of all the different 4-H Clubs in the Province of Manitoba. This is one of the finest organizations, Mr. Speaker, that we have in

BILL 34

(MR. EINARSON cont'd) rural Manitoba, and I want to say that emphatically, Sir, and let the people of rural Manitoba know this, because I think it's very important.

But now, Mr. Speaker, we see where this is being eroded, and that service, it isn't all that costly. When we talk about what? 800 and some 30 million dollars of revenue that the government, for the coffers, is taking in, it's a very small amount of money that is required and is necessary to keep the services of a home economist in the respective areas that they now serve, and I think, Mr. Speaker, I can't speak too strongly in condemning this government for taking those services from the rural areas insofar as the home economists are concerned.

I'm sure that the Minister of Agriculture and the Minister of Health and Social Development are going to hear from the people of rural Manitoba and I hope they come in enmasse by the hundreds, if no other way, to make their protest known, because I've certainly been getting letters, been getting phone calls, of a matter in rural Manitoba that is of real concern and I think that if the government wants to show their true colours about saying they care about people, and they're concerned about people, they have to take a different attitude.

I'm wondering, did the Minister of Agriculture consult with the Women's Institute? Did he consult with the 4-H groups - and they're organized - through his respective agricultural representatives throughout the Province of Manitoba? I suggest to you, Mr. Speaker, I don't think there was any consultation. I think that he has a small group around him who advise him, and I believe that's about the extent of the advice that he's prepared to take. And I say, Mr. Speaker, this is one of the reasons why the Minister of Agriculture finds himself in the dilemma in many areas that he finds himself.

Another matter I want to speak on briefly, Sir, and it has to be re-emphasized again, and that is the matter of our coarse grains policy in Manitoba. I would like to begin with, Mr. Speaker, by saying that the amount of moneys that this department spent, say two or three years ago, in providing incentives for farmers to get into the business of producing cattle, spending thousands of dollars to encourage farmers to build barns for the purpose of producing hogs, and about that time we had a glut of coarse grains - that is oats and barley, feed wheat, that were not finding their way to markets, prices were depressed - and this is the reason for his policy at that time, Mr. Speaker. Shortly after that policy was brought in, the Minister decided to bring in the Coarse Grains Commission for the Province of Manitoba, and I know he will argue, and he said, "Well, we are going to alleviate that horrible situation the coarse grains producers were in." But I want to suggest to you, Mr. Speaker, that unfortunately this did not happen. This did not happen, Sir. Things sort of have to right themselves and you have your supply and demand, and when farmers got into producing more livestock, then the farmers were helping themselves, and I could give several examples in rural Manitoba, Mr. Speaker, where they did just that. They organized cattle-feeding operations and they sold their grains through that business enterprise, and they themselves got rid of their surpluses.

Now we come to the past six, eight months, Mr. Speaker, when I say again, some time around the last part of July I realized that the agricultural industry was seeing its greatest potential right across the board, only to find that the Federal Government decided to place an embargo on our red meats entering the United States, and of course the problem had started over in that country but we have no jurisdiction there. And let's not forget, Mr. Speaker, when we're talking about the Department of Agriculture, we have a government in Ottawa, but I've said on more than one occasion, it isn't Pierre Elliott Trudeau who's Prime Minister, it's David Lewis who is the Prime Minister and running this country. And this government, they are colleagues of theirs, and I think what is going on in Ottawa I believe that they share some responsibility because they do try to have an influence. I know the influence that the Minister is trying to have with the Minister of the Canadian Wheat Board is more of a confrontation rather than trying to help the farmers of this province.

A MEMBER: Right on Henry.

MR. EINARSON: I haven't heard him once say anything about the Minister of Agriculture, Mr. Whelan, and the reason I posed questions this morning in regards to the second horrible dilemma that the cattlemen are finding themselves in, is that subsidy that the Federal Government is going to provide to these farmers. And you know, Mr. Speaker, it's just over a week ago when A1 and 2 steers were selling for around 46, 47 cents a pound, and the beginning of this week they were right down to 41, 42. There's the subsidy, Mr. Speaker, out the window insofar as the farmers are concerned in this province, and of other provinces in the west.

BILL 34

(MR. EINARSON cont'd)

You know, Mr. Speaker, I want to say when I'm making these comments, when I talk about this government and their relationship with their counterparts in Ottawa, that before the Prime Minister of Canada went on television and made a policy statement insofar as the energy situation in this country was concerned, he had Donald Macdonald by his side giving that policy statement. Now I'm given to understand, Sir, that that policy statement was sent to the office of the Leader of the New Democratic Party in Ottawa for his confirmation, and I'm given to understand, Mr. Speaker, and I'm not making a definite statement here but this is the understanding I have, that a couple of changes were made in that policy statement and it was sent back to the Prime Minister's office, which was accepted in its entirety. This is one example, Mr. Speaker, I point out, of the collusion that goes on in Ottawa and all the policies that come out from Ottawa relating to the agricultural industry. If they are so influential down there, why isn't the Minister of Agriculture able to consult closer with them? I'm not sure that I understood the Minister correctly and this is the reason I asked questions this morning, was to try to find out what his position was in regards to this subsidy for cattle for the next few weeks. It seemed to me that he rather would hear from me first and then probably determine his position after he's heard as far as we were concerned.

But, Mr. Speaker, I want to remind the Minister, he is government. He is responsible, not I. It is his responsibility to give direction and decide what he thinks, after due consideration with the cattle industry as to what is best for them. But, Mr. Speaker, the Cattlemen's Association did not ask, and I say to the members from the city - and this is very important that they know this - that the Cattlemen's Association of Canada did not ask for this subsidy but rather they were asking for a protection by reducing the quota and increasing the tariff of American cattle coming into Manitoba and other provinces in Canada.

Mr. Speaker, the other matter that is of very great concern . . .

MR. SPEAKER: Order please. The honourable member will have an opportunity to carry on this afternoon. I am now leaving the Chair to return at 2:30.