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on

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Chairman
Mr. A. Anstett
Constituency of Springfield



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Second Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON AGRICULTURE

Tuesday, 7 June, 1983

TIME — 8:00 p.m.

LOCATION — Winnipeg, Manitoba

CHAIRMAN — Mr. A. Anstett, Springfield

ATTENDANCE — QUORUM - 6

Members of the Committee present:

Hon. Messrs. Adam, Bucklaschuk, Uruski and Uskiw

Messrs. Anstett, Ashton, Carroll, Downey, Gourlay, Manness and McKenzie

MATTERS UNDER DISCUSSION:

Government Resolution passed on March 15, 1983 with respect to the Western Transportation Initiative proposed by the Government of Canada.

* * * *

MR. CHAIRMAN: Committee, come to order. Gentlemen, we have a quorum.

Before we were interrupted for Private Members' Hour this afternoon, there was an amendment moved by Mr. Harapiak that Paragraph 3 on Page 6 be amended by striking out the words "could not agree more" and substituting therefore the words, "respects the logic of that argument." As I recall, there was some discussion amongst members then about both the amendment and the balance of that paragraph. Further discussion?

Mr. Downey.

MR. J. DOWNEY: Mr. Chairman, earlier I disagreed with the amendment, as I disagree with the total paragraph that was not brought forward at any of the hearings that we held - that statement or that submission from Hall - and can't accept that or any of the following paragraph. There was no reference made to that, Mr. Chairman, and I want to make it very clear on the record. I can't accept any part of it.

MR. CHAIRMAN: Mr. Manness.

MR. C. MANNESS: Well, Mr. Chairman, I have to endorse Mr. Downey's comments. Not only that, I feel like possibly members on our side have been snookered a little bit, even with the reference to Justice Hall.

Certainly we're prepared - as members can attest to my comments - we're prepared to listen to Mr. Hall in connection with the famous Hall Report and of course, as I made it abundantly clear when I made my comments, that was the connection in which I remember Justice Hall making reference to the Crow rate. At no time was I aware that Justice Hall had been present

at a "Keep the Crow Rally" in Regina on November 24, 1981. I realized that it was the base for including this in the document. I would have not even been prepared to accept the amendment of any degree because that to me has no bearing at this time.

MR. CHAIRMAN: Mr. Uskiw.

HON. S. USKIW: Mr. Chairman, the Member for Morris then objects on the basis that his suggestion was based on a premise that the quote could have been found in one of Justice Hall's reports - or the report - and which he now finds is not the case and therefore, I believe, is withdrawing his offer of support based on that premise.

So I want to move that we amend - that's Paragraph 2 is it - by deleting everything after the word - no, that's a sub-amendment. I move, on a sub-amendment to the amendment, that we delete everything after the word "argument," which means the paragraph will read, "Your committee respects the logic of the argument period."

MR. CHAIRMAN: Sub-amendment by Mr. Uskiw that all of the words after the end of the first sentence in Paragraph 2 of Page 6 be struck out. Further discussion, is that agreed? (Agreed)

Are you ready for the question on the motion as amended? There is an amendment to the motion. Agreed up to the amendment. Carried.

Paragraph 2 on Page 6, as amended—pass; Paragraph 3 on Page 6.

Mr. Manness.

MR. C. MANNESS: I don't believe there are any amendments coming forward from the government. Failing that there are not, I would move that this whole paragraph be deleted.

My reason for suggesting this is that indeed it's a quote that has been brought forward out of the Western Producer, and again I believe that it's not in proper order to quote selectively from Mr. Snavelly, because I know that he has prepared volumes on costing. I think to quote selectively again leads to a dangerous precedent, because I suppose I could go through those volumes if I had the time and find statements of his that would in effect have the opposite meaning.

MR. CHAIRMAN: It is moved by Mr. Manness that Paragraph 3 on Page 6 - I take it that motion would then also include the quote that appears at the top of Page 7.

MR. C. MANNESS: Right.

MR. CHAIRMAN: So, in effect, Paragraph 3 on Page 6, and Paragraph 1 on Page 7 be struck out.

Discussion? Mr. Uskiw.

HON. S. USKIW: Yes, Mr. Chairman. The Member for Morris, is he indicating that the statements are not factual, that Snavelly did not make those remarks, or is he just objecting to having Snavelly's remarks included in this report?

MR. C. MANNES: Oh, I suppose I can answer "yes" to both of those. Certainly we did not hear it as a committee. We never did hear directly from one Snavelly to our committee, pardon me, from Dr. Snavelly in person, and we did not have a brief presented by him to us, so consequently I've never heard that statement. I've never read it above his signature, and secondly, as it comes out of the newspaper, I would have to contend that it is a selective quote.

MR. CHAIRMAN: Mr. Downey.

MR. J. DOWNEY: Mr. Chairman, I, as well, would want to support what my colleague has said. I think we are here to reflect what the committee told us, to reflect that back to the Legislature. I didn't hear at any hearings the kind of comments that I'm foreseeing in this particular area; and it would also appear as if we are making some attempt as a committee to make an over-attempt of identifying the Farmers Union as being a great saviour of the agricultural family farm. We don't associate ourselves with those kinds of comments.

MR. CHAIRMAN: Further discussion? Mr. Uskiw.

HON. S. USKIW: Well, Mr. Chairman, my understanding of it is that it is indeed a quote of Snavelly and that it's a report in the Western Producer that . . .

MR. J. DOWNEY: Well, then, strike it out.

HON. S. USKIW: . . . reported on the statement that was made by Mr. Snavelly. So it's a quote in other words, and therefore I don't believe that it has ever been challenged by Snavelly as being inaccurate, therefore it must be accurate. I don't believe there was any disclaimer to that statement at any time.

MR. J. DOWNEY: Mr. Chairman, it is our job to reflect what we heard from the Manitoba Agricultural Community and those people presenting briefs to the Legislature and this is not a reflection of what we heard in rural Manitoba on our hearings.

MR. CHAIRMAN: Mr. Uruski.

HON. B. URUSKI: Mr. Chairman, the honourable member, I am sure, realizes that the bulk of the briefs, and many of the briefs that were presented to us, indicated that rural residents in making the submissions to us were afraid of the consequences that changes to the Crow rate would have down the road to the rural way of life which people had. There were a number of submissions that went down and spoke about and basically talked about what Snavelly said in his article.

Basically there were submissions indicating that the changes, in effect - and if the member doesn't remember I'll refresh his memory - saying that the thrust was towards inland terminals, bigger gathering points,

the abandonment of more branch lines and the death to many communities. That was implicit in many of the statements made.

Snavelly basically in his remarks has said - look, I understand what the farm union is saying - but my business is not to save the family farm. My business is to get an efficient railway system, and to make sure that they are cost-efficient and they get their money, what I have determined as their costs; that was his role and he preformed it very well. At least he was honest enough to admit that in the statements that he made. But surely one can't deny that implicit in the briefs that we've had, isn't being corroborated by what Snavelly has said.

MR. CHAIRMAN: Mr. Mannes.

MR. C. MANNES: Well, Mr. Chairman, I find it rather odd that the Minister of Agriculture would choose to selectively quote Mr. Snavelly when he feels that it suits the argument.

I know fully well that rail officials were upset with the government because they would only support rail costing to some 83 percent of what Snavelly recommended. Now, is the Minister saying that Snavelly is correct on one hand in making the assertion or the statement that the NFU sees the problem very well, but he was wrong on the other hand by saying that the railways require a certain fixed dollar or a certain dollar return to operate efficiently a railway, because you can't have it both ways.

We can't say that a quoted individual, because he's supposedly an expert in the field and has done proper analysis and costing, and use selectively some of his quotes to suit one side of the argument and then ignore probably the main reason that he was brought into the western agricultural picture, and that was the analysis. So which way does the Minister of Agriculture want?

MR. CHAIRMAN: Mr. Uruski.

HON. B. URUSKI: Mr. Chairman, the two statements that I have made are not incompatible. Mr. Chairman, Snavelly recognized what his role was and what his policies - he was designed to do one thing, to make sure that the railways got their money. All western governments, including your administration, and staff in your former administration challenged much of the basis on which Snavelly arrived at his calculations in terms of the costing. They were opposed to it. We oppose it.

There is no way that anyone in his right mind would stand for a 20 percent return on investment capital, especially on money that isn't even your own, that is public money on that basis. To challenge his figures on that basis does not take away at all from being able to recognize what he has said that will happen in Western Canada. He's acknowledged that, because his role was to do one thing; to provide the necessary revenues for the railway as he saw fit from his point of view to make the railways efficient.

To him, the family farm and the rural way of life was not at issue at all and he, at least, acknowledged that. That doesn't take away at all, and isn't contradictory at all in terms of one's support towards one aspect of

his statements and a total disagreement, a fundamental disagreement in terms of the costing formula that he has put forward which every administration has disagreed with, including your own group.

MR. CHAIRMAN: Mr. Carroll.

MR. H. CARROLL: Just one small matter, Mr. Chairman, if I heard the Minister of Transport correctly a few minutes ago, my mind is just totally and absolutely boggled. I thought I heard the Minister say that the quote in the Western Producer must be all right, because Snavelly didn't do anything to deny it.

HON. S. USKIW: That's right. Yes.

MR. H. CARROLL: That's stretching it a little far. He could have been just ignoring it, Mr. Minister. The fact that he's not denying it doesn't give it any more credence as far as I'm concerned.

MR. CHAIRMAN: Mr. Manness.

MR. C. MANNES: Mr. Chairman, I guess what I'm finding fault with, when I'm criticizing over the last few paragraphs, is that a very deliberate attempt is being made to bring forward selective quotes to build the case for one organization. You know, I realize fully well what is being attempted and I think, as a member of this committee, I should serve notice that as the document continues it attempts to build a certain case for the National Farm Union. I can say that members on our side are totally opposed to that, which it might not be if you had various sections of the report that dealt with everybody's position.

I think it's totally unfair and it certainly does not reflect - not only what we heard, because we never did hear this quote, nor did we ever hear this made in a brief to us. We were not mandated, as I can remember, as a committee, to pour through all the publications, the farm publications of Western Canada, and to search for quotes to bring to this document. If we were, then obviously, I'm mistaken.

MR. CHAIRMAN: Further discussion? Mr. Uskiw.

HON. S. USKIW: Mr. Chairman, I'm inclined to move that we do delete those references . . .

A MEMBER: There's a motion on the floor.

HON. S. USKIW: Oh, is there a motion?

MR. J. DOWNEY: Mr. Chairman, we have a motion on the floor. Mr. Manness had made that motion and was speaking to it.

MR. CHAIRMAN: The amendment to the report proposed by Mr. Uskiw - Mr. Uskiw, an amendment from you would be out of order anyway as the whole motion is in your name. But there is a motion by Mr. Manness to delete Paragraphs 3 on Page 6 and 1 on Page 7. I don't know how that amendment then affects the next two paragraphs, both of which make further reference to Dr. Snavelly.

MR. J. DOWNEY: Yes, Mr. Chairman, it will be our intention to have those two paragraphs removed as well.

MR. CHAIRMAN: Is there any further discussion or are you ready for the question?

HON. S. USKIW: Mr. Chairman, I think we need a few minutes to ponder what that means, because one section affects the other following. I think it affects Paragraph 4 on Page 7.

MR. J. DOWNEY: No, it doesn't. It doesn't hurt the next one.

HON. S. USKIW: Yes, we finish up with Cowling. I'm wondering whether we couldn't leave those for a moment and deal with the other ones later on while we do some rewording of Paragraph 4 based on the premise that we will go along with taking out the four paragraphs in question. Can we hold those in abeyance and come back to them? Would that be in order, Mr. Chairman? — (Interjection) — Well, no, we could suspend it, can't we?

MR. CHAIRMAN: No. We have an amendment before the committee now to delete two of the four paragraphs that are under discussion. If Mr. Manness is willing to withdraw his amendment and we can pass over all four of the paragraphs under discussion now, we can continue on further while . . .

HON. S. USKIW: Actually five, because the fifth one is derived from the others.

MR. CHAIRMAN: Five paragraphs? We'd like to pass over to the paragraph which starts, "Your committee has taken note of the fact . . ."

HON. S. USKIW: Yes, then we'll come back.

MR. CHAIRMAN: Mr. Manness.

MR. C. MANNES: Mr. Chairman, I guess I don't understand really why Paragraph 4 is part of that decision. Certainly, the other three or four paragraphs covering Pages 6 and 7 make pretty specific reference to one Carl Snavelly. I don't see where the fourth paragraph on Page 7 ties in.

MR. CHAIRMAN: I believe, Mr. Manness, the problem is that the fourth paragraph on Page 7, as Mr. Uskiw said, would then reflect not on the above paragraphs but on Mr. Cowling's statement if we removed all of that intervening material. We would then be saying your committee respects the logic of that argument, but the vast majority of farmers and rural residents in Manitoba is a totally different perspective. We'd be saying the committee is out of touch with the people of rural Manitoba.

A MEMBER: Can we hold it until we . . .

MR. CHAIRMAN: I think that's where some members are having problems. Mr. Manness, are you then

prepared to withdraw your amendment, and we will deal with all five of those paragraphs when other members are ready to come back to them?

HON. S. USKIW: Perhaps, Mr. Chairman, if I may make a suggestion, we have here a suggested revision on Paragraph 4 of Page 7, which was premised on the idea that the other four would be wiped out. This section would then read "It is evident to your committee that the vast majority of farmers and rural residents in Manitoba have a totally different perspective of the problems of grain production and transportation than that envisaged by the Pepin plan." That would look after it. No, we'd then have to bring in the motion to delete and then to amend that one.

MR. CHAIRMAN: Mr. Manness, I will entertain a motion from you then to delete the final paragraph on Page 6, and the first three paragraphs on Page 7. Would you so move?

MR. C. MANNES: Mr. Chairman, can we write those words in, please?

MR. CHAIRMAN: The proposed amendment to follow your amendment, which has only at this point been suggested, is that after the word "transportation" in the first sentence of Paragraph 4 on Page 7 would follow the words "than that envisaged by the Pepin plan."

A MEMBER: Where did you start that?

MR. CHAIRMAN: After the word "transportation," the end of the first sentence.

HON. S. USKIW: That keeps it in context.

MR. CHAIRMAN: Mr. Manness.

MR. C. MANNES: Well, Mr. Chairman, I thank the Minister for that attempted compromise. I suppose it is are we prepared to accept them until they look at the word. When we talk about that the vast majority have a totally different perspective of the problems, I think that's certainly going too far. I really believe that there are a large number who totally do understand the problems. I'm not saying that they're totally convinced that Pepin's proposals, if accepted in their present form, will address all those problems, but to say that they have a totally different perspective to what Pepin is attempting to accomplish by bringing forward in his proposals is not correct.

MR. CHAIRMAN: Mr. Manness, I believe Mr. Uskiw might have a suggestion which might accommodate your concerns. He can't move it, but I'll let him offer it as a suggestion. We may reach the point then where we can deal with all five paragraphs and a series of quick amendments.

Mr. Uskiw.

HON. S. USKIW: We'll try a wording, Mr. Chairman. "It is evident to your committee that the vast majority of farmers, and rural residents, in Manitoba has a totally

different perspective of the answers to the problems of grain production and transportation than that envisaged by the Pepin plan."

MR. CHAIRMAN: Mr. Manness.

MR. C. MANNES: Well, Mr. Chairman, that's . . .

HON. S. USKIW: We're trying.

MR. C. MANNES: That's a good try. I'm just wondering if in fact members of the committee would rather not read our attempt at the top of our Page 6 to deal with that, and whether or not they feel it might have some merit.

HON. S. USKIW: I have serious problems with that one.

A MEMBER: We'll accept the first sentence though.

A MEMBER: Yes, well that's good of you.

HON. S. USKIW: Few farmers, let's see, "Few really understand or know what their costs per acre are for transportation." I don't like to impute that ignorance on the agricultural community.

MR. CHAIRMAN: Mr. Manness.

MR. C. MANNES: Well, Mr. Chairman, neither do I, but I can tell you if everyone was in attendance they can well remember that that was a question I asked the most often, and I can say that I was totally surprised to how few of the witnesses that came forward understood what the costs of the present Crow rate amounted to on their farm. So I have to agree with you. I feel badly that such a large number didn't understand, but I think it's only fair that we reflect that in the report.

MR. CHAIRMAN: Further discussion? Right now we're discussing a block of five paragraphs and we're going to, at some point, have to decide how to deal with these. Is there further discussion?
Mr. Uskiw.

HON. S. USKIW: Mr. Chairman, perhaps we can agree then to the motion to eliminate the 4th and then set the 5th one aside until Bill has a chance to look at wording. I think it's okay as I'm proposing it, but lets not foreclose an opportunity to further refine and that'll give us a chance to proceed further in the meantime. If we can deal with the motion on No. 4 . . .

MR. CHAIRMAN: Right now we don't have a motion, I'm just waiting for Mr. Manness to move one.

I have one caution, Mr. Manness, in terms of - and I'm taking the liberty here in the Chair. I'm looking at your first paragraph on Page 6, and I believe we may be running into the same problem we ran into when we wiped out the four paragraphs in that we were reflecting on the quote of Mr. Cowling.

In your first sentence on the top of Page 6, when you say "the vast majority has a totally different

perspective of the problems" that then reflects on, I believe, the quote of Mr. Cowling as if the vast majority of Manitobans have a different perspective, a totally different perspective of the problems.

So no one has said that in the committee, but I see some reluctance on one side to accept that statement from you for the same reason you were reluctant to accept Mr. Uskiw's proposal. So I'm not sure that the members are really disagreeing with each other, but that they're both asking each other to swallow something which isn't tying together here. I think that's the problem, I don't know what the answer is but I just want to highlight that.

I really don't see members as being that far apart on this question on the basis of the discussion. I think you're trying to accommodate each other and I'm hoping you can find our way around all these words and different proposals.

Mr. Manness.

MR. C. MANNES: Well, Mr. Chairman, I suppose we better then, right at this time, decide whether there is any agreement whatsoever on some of the comments that I made on the top of Page 6, first paragraph.

I had a view, I should say we have a view that few farmers really understood what their costs of transportation are today. I think that was very evident through the hearing, and undoubtedly when witnesses came forward speaking in support of the retention of the Crow, they would quote from the studies that were commissioned by the Department of Highways and Transportation and that were released by the Minister a year ago.

I don't disagree with that, but it seems to me that when individuals feel that changes are coming about that are going to impact them negatively, that they would be able to address that impact on a specific case, not on the loss of .5 million to a region. It's on that basis that I feel that, first of all, the vast majority of farmers do not understand what their cost of transportation per bushel of grain is, and I knew that long before I went in the committee, I can tell you. I knew that because I asked people in my own community and they didn't know.

Therefore, I question whether or not that should be reflected in the brief somewhere. I thought it should be, and that's why I attempted to bring together those two thoughts in the paragraphs that I have presented at the top of Page 6 of our brief.

MR. CHAIRMAN: Mr. Adam.

HON. A. ADAM: I would have to disagree with the comment that the vast majority of farmers do not know what the cost of freight is on a bushel of grain. I would disagree with that most emphatically. I think most farmers in Manitoba know what block they're in and they know whether it's 17 cents a bushel or whether it's 16 cents a bushel. Most of them are aware, and I've heard the Member for Morris make the statements on how much it costs him to ship a bushel, I believe, in the House when we discussed this on other occasions.

I would totally reject that the majority of the farmers - there may be a minority of the farmers that may not fully understand or take time to look at the rate

structure, but in my opinion at least the majority of the farmers feel that the statutory Crow rate is a benefit to them. That is why they, I would say, in the majority of briefs that I've heard at any of the communities that I have attended and to the people that I have talked to personally, feel that there is a distinct advantage of having the statutory Crow rate, that they do know is an advantage to them.

I would say that the vast majority, and I'm not sure how vast it is, but I would at least say that a majority of the farmers have that feeling. I'm not trying to be unkind or reflect on the member's comments, but I would disagree with him in all due respect.

MR. CHAIRMAN: Mr. Downey.

MR. J. DOWNEY: Mr. Chairman, I don't want to get into that debate. I won't embarrass the Member for Ste. Rose and ask him if he knows how much it costs him to move his grain, because I would doubt if he would know.

HON. A. ADAM: Yes, I know.

MR. J. DOWNEY: First of all, it's debatable whether he's a farmer or not. That is the bigger question.

Mr. Chairman, the question that is before us is, how are we going to deal with those four paragraphs that we want deleted and as well reword the fifth one? I would like to indicate to the committee it would appear as if we were to proceed to delete those four, and proceed to say, "It is evident to your committee that a large number of farmers and rural residents in Manitoba have a totally different perspective of the problems of grain production and transportation than that envisaged by the Pepin proposal." I think it would be acceptable and would truly reflect what we had heard from Manitobans.

MR. CHAIRMAN: Would you repeat that, Mr. Downey? I'm sorry. I was distracted. I missed your suggestion.

MR. J. DOWNEY: Yes, Mr. Chairman, it was to delete the four paragraphs and the fifth paragraph would be to say, "It is evident to your committee that a large number of farmers and rural residents in Manitoba have a totally different perspective of the problems of grain production and transportation, than that envisaged by the Pepin proposal," "Vast majority" to "a large number."

A MEMBER: Large majority.

MR. J. DOWNEY: No, not majority, a large number. Because I don't think that we can say "a vast majority." If it's an interpretation, Mr. Chairman, of a large number or a vast majority, I would say we didn't hear from a vast majority, we heard from representative groups and individuals.

MR. CHAIRMAN: Mr. Uskiw.

HON. S. USKIW: Mr. Chairman, I think if we just set that aside until we see what is going to follow, we might come to the conclusion that all of those would be taken

right out, including the one that we are now discussing. We could live with that, I think, quite comfortably.

MR. CHAIRMAN: I was still waiting for a motion anyway, because discussion was still proceeding. I know Mr. Manness was willing to move it. Is it still agreed then that we will hold in abeyance those five paragraphs and we will now start on Paragraph 5 on Page 7, which starts with, "Your committee has taken note of the fact . . ."? Okay, members of the committee, that paragraph is now before us. Pass?

HON. S. USKIW: No, that's a deletion. Page 7 of our original bill.

MR. CHAIRMAN: Is that Mr. Manness' motion?

HON. S. USKIW: That's our motion.

MR. CHAIRMAN: I believe Mr. Manness left that out as well. Paragraph 5 on Page 7?

HON. S. USKIW: Why have I got it out again?

MR. CHAIRMAN: Mr. Manness, in your report, you have deleted Paragraphs 5, 6 and 7.

HON. S. USKIW: That's right, and I think we were concurring with that.

MR. CHAIRMAN: In other words, the balance of that page, your report omits.

Mr. Manness.

MR. C. MANNES: Mr. Chairman, I would like to explain the reason why we left that out, and that was because it moved into an area in which, at the time we had our hearings, indeed there was no knowledge of what the Federal Government was doing in changing proposals. We wondered how far we should carry that argument in an attempt to reflect on the changes as they may or may not impact this report, or indeed the views that we heard from the witnesses that came forward at the meetings. It was an attempt, therefore, to disregard some of the happenings that have occurred over the last two weeks regarding the releases from Ottawa.

MR. CHAIRMAN: Further discussion on the motion then? Mr. Manness, are you prepared to move the motion?

MR. C. MANNES: Yes, I am.

MR. CHAIRMAN: Moved by Mr. Manness then that Paragraphs 5, 6 and 7, 7 being the last sentence on Page 7, be deleted. Further discussion? Mr. Uskiw.

HON. S. USKIW: Mr. Chairman, we are prepared to go along with that.

MR. CHAIRMAN: It is moved by Mr. Manness then, the motion as read. Is it agreed? (Agreed)

Okay, I'll leave the balance then of Page 7 for us to come back to as we agreed, and turn to the top of Page 8.

HON. S. USKIW: And now there's an amendment.

MR. CHAIRMAN: Mr. Ashton.

MR. S. ASHTON: Amendment to Paragraph 1 on Page 8, Mr. Chairman. I move that Paragraph 1 on Page 8 be struck out and that the following paragraph be substituted therefor:

"Western grain producers may be prepared to accept higher freight rates in return for improved railway transportation services. However, under the formula which has been proposed by Mr. Pepin the grain producers will be made to pay a major share of the cost of expanding the capacity of the railway system in Western Canada, a share that is grossly out of proportion with the future demands to be made upon the system by the movement of grain. The willingness of the producers to pay more for transportation to obtain better service must not be exploited."

MR. CHAIRMAN: Any discussion on the amendment? Mr. Manness.

MR. C. MANNES: Mr. Chairman, we beg to have a minute or two to ourselves to try and think this through.

Well, Mr. Chairman, it's evident that, except for the insertion of one particular objectionable phrase, there is not an awful lot of difference between what we had proposed and what the amendment has brought forward. Of course, that phrase, which I think we object to, is, and I quote, "a share that is grossly out of proportion with the future demands made upon the system by the movement of grain." I know none of us on this committee wants to move into a long debate as to the accuracy of that statement, but nevertheless I feel that the position that we put forward in our third paragraph on Page 6 probably is a better reflection of the actual situation.

MR. CHAIRMAN: Mr. Uruski.

HON. B. URUSKI: Mr. Chairman, it was my feeling that we had gone a long way to try and accommodate the honourable members in this whole area, and I think the information that's been presented to the committee has been very clear in terms of who will be using and which commodities will be using the railway system in the future with the expansion. I mean, those aren't our figures, they're the industry figures. I mean we haven't cooked them up. They come clearly from the proposals put forward by the railway companies and the big lobby behind the chain, and that is the coal companies, the fertilizer, the sulfur and the forestry industry who have been lobbying for the change, and they said that the change is needed drastically, because you just look by our drafts as to what will be hauled in the system and we really need that extra capacity. When one analyses those projections, their own projections, one then clearly can't make the mistake, unless he is, as the saying goes, out-to-lunch on his analysis that grain becomes less and less of the load hauled to the West coast.

It is patently clear as to which industries will benefit by the needed expansion. No one argues that the expansion should not be there, but the fact of the matter is, and I think honourable members have acknowledged

that, that the expansion is there not primarily for grain, but primarily for the goods that will be hauled by the other sectors in industry and primarily coal, sulfur, potash are the industries that will be using the railway system.

To say anything else, Mr. Chairman, I believe would be flying in the face of all submissions that the industry themselves have acknowledged, and I don't know how one can say now that is no longer a fact.

MR. C. MANNES: Well, Mr. Chairman, I don't want to belabour the point, but it seems to me that - and I saw the projections brought forward, not only by the Minister, but many other people that use that same material in supporting it - the quantity movement required, the tonnage, or the shares of the new rail capacity that will be required by the various components that use that system in the years to come. I don't have any difficulty in accepting that right now, although I think a case could be made that once you start projecting out 10 or 15 years, there's is an awful lot of uncertainty.

But what is being said here is something a little bit different than that. It says, "Under the formula, which has been proposed by Mr. Pepin, the grain producers will be made to pay a major share of the costs of expanding the capacity of the railway system in Western Canada.

Now, I've heard the Minister indicate that over the next few years, that over the next 10 years, there'll be some \$10 billion, \$11 billion or \$12 billion that will be brought forward by way of revenues.

HON. S. USKIW: Of which half is from the producers.

MR. C. MANNES: That's right.

I don't challenge those statements, but I have never ever seen a breakdown as to how much of that revenue, because it was always left and I think we as members, we allowed it to sit on the record, but that statement always made it appear as if that total revenue would be directed towards expanding plant capacity of the railways. I've never ever seen a clear breakout of that figure as to what percent of it would be going to cover variable costs, the day-to-day costs of running a railway, the ones that each and every one of us, as members of society, must meet every day, and what other share would be left towards improving the plant, and not only that, keeping it fully maintained.

HON. S. USKIW: Plus 20 percent.

MR. C. MANNES: Well, if the Minister wants to throw in the 20 percent proviso, fine, we can go onto that one too. But, I'm just trying judge it in terms of the figures used by the Minister, which was the six and the 12, and I don't know how we came to that figure.

It's on that basis that I wouldn't want to reach the conclusion that the formula that's being brought forward by Pepin has those of us, who are delivering and transporting grain, having a vast significant share of that going towards improving the plant for CPR so that all commodities can move on that new railway.

MR. CHAIRMAN: Mr. Uruski.

HON. B. URUSKI: Mr. Chairman, it's clear in my mind and the figures are there. I didn't bring my file with me, but I can certainly break out the figures for the honourable member. But, you know, if one takes the argument and doesn't accept the argument that the farmers will be paying the bulk of the expansion, and Mr. Mannes was hinting that, and I just want to make sure that I understood him correctly, that maybe those projections that the industry put forward are not as great. Would I be . . .

MR. C. MANNES: Set that aside, that's not for debate right now - I mean that's not important in the statement I made.

HON. B. URUSKI: Well, it is, because there is an assumption in there that if the industry hauls less goods, then the share of the load hauled would be made up by farmers, which then it would be justifiable if they would pay a greater portion of the cost of expansion. I mean, one takes that back if he lowers the percentage of load hauled by other commodities, by other groups in society, mainly the coal, the potash, and lowers it, then the percentage of load hauled by the farm community would be greater and one can then say, hey, you guys are getting a good deal, taking his argument, and maybe you should be paying a greater share.

MR. C. MANNES: You missed my argument.

HON. B. URUSKI: Well, Mr. Chairman, there is no doubt that the Minister has put the figures on the record, but there is no doubt that the farming community will be paying the bulk of the expansion necessary for a commodity and that is, in my mind, the fundamental issue that's at stake; is that farmers are paying for the expansion of which they will be utilizing less and less of the load hauled, and that's on whose backs the cost will be borne.

MR. C. MANNES: Well, Mr. Chairman, it seems to me that the Minister of Agriculture is now beginning to believe in the NFU rhetoric - (Interjection) - and maybe, indeed, he helped develop it - I don't know.

The point I'm trying to make is it has never been shown to me and maybe I'm one of those farmers who do not understand the costs - maybe I'm one of those - but it has not been shown to me where, if in 1990 I pay five times as much as I do now, as claimed by many. In other words, instead of paying 9 cents a bushel to haul my wheat, that I'll pay 45 cents a bushel. Nowhere has it been shown to me that some 30 cents of that will be used by the railways to be directed towards improving the rail network. I have never seen that breakdown because I can say that, if indeed, 30 cents out of that 45 that I would be paying in 1990 was going to be directed towards expanding the whole system for the movement of all products, I'd be totally opposed.

But if 40 cents of that 45 is going towards paying the costs, the day-to-day variable costs of running that railway, and one nickel of it is going to replacing cars that are becoming obsolete - (Interjection) - Well, Mr. Chairman, I'm sorry I used that as a figure, because

the Minister wants to dwell on every little weakness. Let's say locomotives that play out, let's use any aspect of it - machinery wears out and has to be replaced - it's called depreciation. If 5 cents of that 45 is going to that, I can accept it, but nowhere have I seen that breakdown.

I've had the Minister say that \$12 million is going to go to the railways over 10 years, and leaving the implied feeling that most of it was going towards improving the capacity of CPR and CNR, to move all the goods that need to be moved out of Western Canada. That's what I'm unclear in and I have never seen that.

A MEMBER: We'll clear you up.

MR. CHAIRMAN: Mr. Uskiw.

HON. S. USKIW: Well, Mr. Chairman, I appreciate the fact that the . . .

MR. J. DOWNEY: This committee's out of order, you realize that, Mr. Chairman?

HON. S. USKIW: No, I don't think so.

MR. CHAIRMAN: Mr. Downey on a point of order?

MR. J. DOWNEY: It appears to me as if we're getting a little bit off, of what we've attempted to do, in getting our report to the Legislature.

HON. B. URUSKI: The member raises a good question and a fundamental point to deal with the information. — (Interjection) — Sure. Absolutely.

MR. CHAIRMAN: To the point of order. I understand that on the amendment that's before us, there is one principal concern to do with a phrase, "a share that is grossly out of proportion of future demands which we made upon the system by the movement of grain." I think all of the discussion we're having is very pertinent to that point, so I am not prepared to rule it out of order.

Mr. Uskiw.

HON. S. USKIW: Mr. Chairman, I appreciate that the Member for Morris and all members of this committee, apart from myself, have not been exposed to all of the discussions and the dialogue and the numbers and the projections, as have I. The Westac meetings year after year, in fact, more than once a year - three or four times a year - the meetings we've had with CN and CP, all of these figures are CN, CP figures as far as plant expansion is concerned, or cost of upgrading in Western Canada, which is a total of \$9.5 billion according to their estimates. It's their figures we're using. The Pepin plan will raise \$13.3 billion, which is \$9.4 billion more than the present Crow rate raises, plus the branch line subsidies that are paid out.

So there's a net gain of \$9.4 billion to the railways; their total expenditures on new plant is \$9.5 billion, over the same period from their own statements, and when I put this to Mr. Campbell before our committee, I believe he confirmed that. There's been no dispute from the railways on those numbers, and furthermore

if we were to overstate a concern in this area, does it do us any harm to overstate a concern on behalf of agriculture? Let the railways defend themselves. I have no problem with that as a matter of principle. They are well equipped and empowered to make their case. I think that we would be wise, even if we were to overstate it, Mr. Chairman, but I don't believe we are. I believe that we're fairly well on target.

A MEMBER: Toot, toot.

HON. S. USKIW: So, I don't believe the Member for Morris is suggesting that we're going to be hung up on this issue, I think he's making the observation. I would hope that it's not one that he's hung up on, or which we can't come to an agreement.

MR. CHAIRMAN: Further discussion on the amendment? Mr. Manness.

MR. C. MANNESS: Well, yes, Mr. Chairman. I'm not hung up on it, I hope that's evident, although, again I haven't had the full explanation from the Minister as to my concern of the breakdowns and this isn't the time for it. Maybe we'll do it another time.

MR. CHAIRMAN: Are you ready for the question? On the amendment as proposed by Mr. Ashton, that Paragraph 1 on Page 8 be struck out; the following paragraph be substituted therefore, as proposed on the amending sheet that's been distributed. Is that agreed? (Agreed). The amendment is passed, Paragraph 1 on Page 8, as amended—pass.

The next amendment, I believe, on the various sheets that have distributed to us, is Paragraph 2 on Page 8 - Mr. Ashton.

MR. S. ASHTON: Yes, Mr. Chairman, I would move that Paragraph 2 on Page 8 be struck out and that the following paragraphs be substituted therefore:

"The natural sympathy which Canadians have with the farm community may be eroded by portraying the financial contributions of the government to the railway companies as subsidies for the Western grain producers. As well, farmers do not want to be categorized as freeloaders. Farmers should not be made to pay for the expansion of capacity that is not related to grain transportation, but to the transportation of coal, sulphur, potash and other mineral resources. Government contributions to that expansion should not be portrayed as subsidies to farmers."

MR. CHAIRMAN: I believe that bears some similarity to the revision proposed by Mr. Manness in his amendments tabled last Thursday, and it also contains some of the phraseology that was contained in the original report by Mr. Uskiw. Any discussion on the amendment proposed by Mr. Ashton to Paragraph 2 on Page 8? Paragraph 2, Page 8—pass, as amended.

Mr. Ashton - Paragraph 3 on Page 8.

MR. S. ASHTON: Yes, Mr. Chairman, I move the motion that Paragraph 3 on Page 8 be struck out and that the following paragraph be substituted therefor: "Thus farmers and taxpayers will be forced to make the

contribution to capital for railway companies and to support the other users of rail capacity, who claim to have supported themselves for years.

"The Federal Government proposes to enact a law that will establish transportation rights for grain on the basis of 100 percent of the line in volume-related variable costs, plus 20 percent of volume-related variable costs as a contribution to constant costs."

In other words, cost plus 20 percent.

MR. CHAIRMAN: Mr. Ashton, before I accept that amendment, because of what I'm seeing in front of me here, I think I should leave it up to the committee to determine whether or not it would be fairer, since your amendment incorporates essentially the motion which was, for all intents and purposes, given as Notice of Motion last Thursday by Mr. Manness; and unless Mr. Manness waives that right, I think I should reserve to him the right to move his amendment because your amendment effectively amounts to two minor sub-amendments to his. If he wants to waive that right, then I'll accept your motion. But I think, basically, his amendment should get precedence.

A MEMBER: Good point. Good point.

MR. CHAIRMAN: Mr. Kovnats.

MR. A. KOVNATS: Mr. Chairman, I'm waiting for whatever it is that you want to get my attention. You have my attention.

A MEMBER: You have our attention.

MR. CHAIRMAN: What is the committee's will and pleasure? Am I to accept the amendment proposed by Mr. Ashton, or the Notice of Motion proposed by Mr. Manness?

Mr. Manness.

MR. C. MANNESS: Well, Mr. Chairman, I guess I'm somewhat hung up. I probably have the same problem that Snavely might have had for months trying to determine a methodology to deal with the railway costs, and I question other members on the committee how accurate it is to say, cost plus 20 percent. What, in their view, is meant by cost? That was the reason that, I suppose, in the first instance we decided to muddy up what would appear to be straightforward comment earlier on, or that came in the original proposal.

But I see again in the final sentence the words, "in other words, cost plus 20 percent." I'm just wondering if members of the committee can help us out by telling us specifically what they mean by costs.

MR. CHAIRMAN: Mr. Uskiw.

HON. S. USKIW: I'm wondering whether there's a problem here.

MR. CHAIRMAN: Mr. Manness, if I may, I have a problem. I have a proposed amendment and I have a Notice of Motion from you. You're raising a question that relates to debate, and certainly a proper one in terms of the subject that's before us, but I need to

know whether you wish to move your proposed amendment from last Thursday?

MR. C. MANNESS: Yes, to help out, yes, I would.

MR. CHAIRMAN: Okay. I'll set aside Mr. Ashton's proposed amendment then.

MR. C. MANNESS: Right.

MR. CHAIRMAN: We have a proposed amendment, moved by Mr. Manness, that Paragraph 3 on Page 8 be struck out and the paragraph that starts on the bottom of Page 6 and continues on to the top of Page 7 of Mr. Manness' proposal of June 2nd be substituted therefore. Is that agreed?

Mr. Ashton.

MR. S. ASHTON: In that case, Mr. Chairman, I would move the sub-amendment to that motion, that after the words "rail capacity who," the words, "claim to," be inserted, and further, that at the end of the paragraph after the words "to constant costs," the following sentence be added, "in other words, cost plus 20 percent."

MR. CHAIRMAN: You've heard the amendment and the sub-amendment proposed by Mr. Ashton. Is there any discussion?

Mr. Manness. You still have the same question, I assume? Before we pass it, I believe Mr. Manness did raise . . .

MR. C. MANNESS: Oh, I did.

MR. CHAIRMAN: . . . questions for members on the committee, and rather than put the question, I think that that matter should be . . .

MR. C. MANNESS: Because I want to know once and for all, and this is probably the best forum in which to do it, Mr. Chairman. I'm wondering if the members opposite are going to continue to use in their arguments, in their debates, here and elsewhere, the figure "cost plus 20 percent return to equity." Of course, they don't have to promise me anything, but I want it fully understood that cost plus 20 percent does not mean 20 percent return on equity. Of course, that's the general argument used by some organizations.

MR. CHAIRMAN: If the committee will wait one moment, Mr. Uskiw will be able to address Mr. Manness' question very specifically.

Mr. Uskiw.

HON. S. USKIW: Mr. Chairman, I am advised that the way the argument goes is that the 20 percent is over and above, according to calculations that is, costs and return on capital. So that, in essence, our position is on target.

MR. CHAIRMAN: Mr. Manness.

MR. C. MANNESS: Mr. Chairman, certainly we have no position in this. We're just trying to determine what

it is specifically we're talking about. Of course, we said, on the basis 100 percent of the line and volume related variable cost. Is the Minister then indicating that part of those variable costs are returned investment? Because I have never heard of variable costs covering a share of fixed costs?

HON. S. USKIW: Mr. Chairman, that's precisely the situation as I am given to understand.

MR. C. MANNES: I'm not going to quarrel with the Minister.

HON. S. USKIW: Is there a quote there, Bill, we can use?

MR. J. DOWNEY: We aren't using that Snaveley Report . . .

MR. C. MANNES: That's right. I will accept that for the time being, Mr. Chairman, and possibly somebody else who is reviewing Hansard will either confirm or possibly reject the comment made.

HON. S. USKIW: So where are we at with the motion?

MR. CHAIRMAN: Sub-amendment moved by Mr. Ashton? Agreed? (Agreed) The amendment moved by Mr. Mannes as amended? (Agreed)

Paragraph 3, Page 8, as amended—pass; Paragraph 4, Page 8.
Mr. Ashton.

MR. S. ASHTON: Yes, Mr. Chairman, I'd like to move another motion, that on Page 8, after the paragraphs ending with the words "cost plus 20 percent," the following paragraph be inserted:

"Your committee's New Democratic Party members hold the view that contributions to capital such as the allowance for cost of capital of 20.5 percent and a contribution to overhead of 20 percent be clearly identified as contributions to capital stock and that in order to be eligible for such contribution, CP Rail must issue equivalent value in common shares to the Government of Canada. This view is not shared by committee members from the Progressive Conservative Party."

MR. CHAIRMAN: Mr. Ashton, am I given to understand that your proposed amendment replaces Paragraph 4 in the current May 26th proposal? I didn't hear you say delete Paragraph 4 and substitute the following therefor. Is that what's proposed?

MR. S. ASHTON: That's correct.

MR. CHAIRMAN: Okay. Is it understood then that the amendment as read on the top of Page 3 of the list of government amendments is to delete Paragraph 4 and substitute that amendment therefor? That's proposed debate on the amendment then. Mr. Downey.

MR. J. DOWNEY: Mr. Chairman, I don't know what kind of a game the government is trying to play with this kind of an amendment to a report of the Legislature

from an all-party committee which heard hearings throughout Manitoba. At no time did I hear this kind of comment put to our committee. It's a bunch of political nonsense, in my estimation, that they would ever try and inject this kind of thing into a report to the Legislature.

Mr. Chairman, I just totally reject that this kind of thing would be proposed to the committee by the government members. I think it's a ridiculous attempt to politicize a report that should have had a good intent; if the government had the good intentions when they went to the country to get an honest opinion from the farm community on what the people thought of the Pepin proposal that we were to deal with, and here we are putting in an insertion of politics into a report that we didn't even hear anything about just to satisfy their political whim and the outcome of their national NDP Convention where they wanted to take over shares in the CPR.

We're not going to have any part of accommodating that kind of move in a Legislative Committee, and I totally reject that we should even be subjected to even having to vote on it.

HON. S. USKIW: Mr. Chairman, I think probably it's the process that we are now in that gives us this difficulty; having to deal with amendments without knowing the full impact and the reasons why they are being put forward. I would want the Member for Arthur to reflect on what I'm going to say and perhaps amend his thoughts.

The reason for putting that forward is in recognition of the fact that there is a difference of viewpoint between the Conservative Party and the New Democratic Party on that issue, and we want it recognized that it's there.

The reason it's there is because we are prepared to take out, out of RESOLVED portion those references that deal with the equity in CPR and so on. That's a quid pro quo, which are the items that your members objected to in the first instance. So this is a compromise to make the point as to how we see things; it's a disclaimer, in other words, and also putting forward how we view your position and if you want to amend what your position is, we can consider that.

But I thought that would be fair to both sides as a statement of opinion, if you like, representing the two parties, and hopefully that would be a quid pro quo that would be acceptable.

MR. CHAIRMAN: Mr. Uskiw, am I correct then, in understanding you, that in addition to deleting Paragraph 4 on Page 8 and substituting it with this, that amendment effectively will also delete Recommendation No. 3?

HON. S. USKIW: That's correct.

MR. CHAIRMAN: But that amendment will follow in due course.

HON. S. USKIW: That's correct.

MR. C. MANNES: Would you repeat that please?

MR. CHAIRMAN: That in addition to deleting Paragraph 4, the one-sentence paragraph as it now reads and

substituting it with this proposed amendment moved by Mr. Ashton, what will follow from that will also be the deletion of the third recommendation at the bottom of Page 8, which will completely come out of the recommendation section. But that amendment will be moved when we get there.

Mr. Manness.

MR. C. MANNES: Well, two points, Mr. Chairman, first of all, I think we better give some discussion as to whether, again, this committee was mandated to bring in recommendations at all to the Legislature. I think we were to go forward and reflect as best we could the views of all the people that made presentations to us. I think an honest effort has been attempted at doing that. I really, therefore, am questioning whether we were asked by the Legislature to bring back recommendations of any sort. This is No. 1.

No. 2, the amendment as spelled out, again to be the figures and the references of contributions to capital, concern me. I certainly cannot agree to including them at this point. I would have to review them with our source. — (Interjection) —

MR. CHAIRMAN: Order please. Mr. Manness has the floor.

MR. C. MANNES: Mr. Chairman, what the government is attempting to do, and I can see that they're trying to put a disclaimer on for ourselves. We might be best to put our own disclaimer on. I don't think we would want the government members to put words into our mouths as to where we stand specifically on that issue. I don't think that's fair. I don't think as a PC Caucus that we have, at this point, a detailed definitive statement on that particular issue. We were not asked. That was not the mandate of this committee, for the PC Party to put forward any of their views; it was a mandate of the Legislature to send forward members from the Legislature to solicit the views of Manitobans who so wished to come forward to the committee.

A MEMBER: You missed Henry Carroll. I'm serious.

HON. B. URUSKI: Mr. Chairman, there is no doubt that there was an attempt to compromise the situation and try and reflect the views of the Progressive Conservative Caucus, which had set out a number of proposals and recommendations by itself. I mean, we have a number of proposals put out by your caucus, and I think we've gone a long way.

I'm having a bit of a difficulty now with the Honourable Member for Morris, because his caucus came to this committee and brought a paper for consideration by the committee, as reflecting the views of their caucus members who sit on this committee, and coming to the committee with a set of recommendations, and we said, look, we're prepared to consider your comments and your suggestions that you've made in your report and your revisions and it's a large part a compromise has been reached.

Now, if the words in terms of disclaimer don't reflect the views, and maybe you want to remove the words "P.C. Caucus" or reference to the party based on that

one section, but in terms of the reflection of the rest of the views, it appears there is general unanimity between both caucuses who are represented. While I don't purport to speak for the Member for Brandon West, certainly his statements in this House in the past and in debate have certainly, and he can speak for himself, but certainly reflected no great difference of opinion as between what has been reflected in this report.

MR. DEPUTY CHAIRMAN, H. Carroll: Mr. Uskiw.

HON. S. USKIW: Mr. Chairman, again I want to come back at what is being attempted here. We have attempted to deal with the fact that there isn't a consensus on that particular issue, and that is the issue of taking equity in CP Rail in exchange for public financial input into the upgrading of the railway system.

We don't expect the Conservative Party to endorse that and they have indicated that they don't wish to endorse that, but also we recognize, pursuant to discussions we've had, that the Conservative Party or at least the members on this committee, appear to be wanting a consensus from this committee, a report that is going to be made to the Legislature that can be endorsed by all members.

That's why we are proposing to take the section out of the recommendations and merely insert it as an opinion of the members of the New Democratic Party, which carries no weight as far as recommendations go other than to express the opinion. If the Tories are not comfortable with the reference to where they stand, I would be prepared to ask them to write their own disclaimer, if they wish to write one in, or choose their own wording so that each side can agree to disagree without impinging on the agreement and what the recommendations say. That's essentially what we are attempting to do.

MR. CHAIRMAN, A. Anstett: Mr. Manness.

MR. C. MANNES: Well, Mr. Chairman, if I didn't make it clear in the past I certainly want to now, that when those of us that come from the P.C. Party that are on this committee attempted to bring forward a document, it was not the position of the P.C. Party. It was the reflection of what these members saw in the committee hearings by the witnesses that came forward. So at no point should the document that we laid on the table be construed as the PC position on the Crow.

HON. S. USKIW: That's fair enough. That's fair enough.

MR. C. MANNES: I say that specifically to the Minister of Agriculture who said, well this was the P.C. caucus position on the Crow rate as specifically related to the return on investment area. I want to make that categorical statement. That is not correct.

What we attempted to do was to reflect in our view what we heard at the hearings, nothing more. In the first instance, we were going to stop the document right before the recommendations. We did not feel it was the mandate of this committee and indeed ourselves to even move into the recommendations area. We reluctantly did so and may have erred in doing so,

because now the feeling has been taken that it is P.C. policy. Well, it is not; it is not P.C. caucus policy at all.

I think we were attempting to try and help the report along. I would have to say, first of all, that has to be fully understood by all members of the committee.

MR. CHAIRMAN: Mr. Manness, are you then proposing a sub-amendment to delete the last sentence which makes reference to committee members from the Progressive Conservative Party?

MR. C. MANNESS: Mr. Chairman, I'm afraid at this point we would have to reluctantly move that the report end.

HON. S. USKIW: Without recommendations?

MR. C. MANNESS: Without recommendations.

MR. CHAIRMAN: Mr. Manness, we have an amendment to Paragraph 4 on Page 8 before us now. We have to deal with that amendment before we can move to delete the balance of the report. That's what your motion is, is it not?

MR. C. MANNESS: Mr. Chairman, the members can out-vote us. Certainly we cannot accept the amendment on Page 8. I don't know what paragraph it is.

MR. CHAIRMAN: Mr. Manness, I can't accept your amendment that the report end until we deal with this amendment but I'm willing, in view of your concern, to accept a sub-amendment at this point to delete the last sentence of the proposed amendment. That would be in order from any member.

HON. S. USKIW: Or to amend it.

MR. C. MANNESS: Mr. Chairman, I don't see where you can ask P.C. members to then adopt a paragraph and report that makes reference specifically to the New Democratic Party portion of a committee. That's what you would be asking us to do by asking us to accept the amended or the sub-amended paragraph once we've struck the final sentence.

MR. CHAIRMAN: Mr. Manness, I am not asking you to vote one way or the other. I would only be putting the question on the motion; I wouldn't be asking you to accept it. You would certainly be free to vote against the amendment as proposed, but there would seem to be a concern that there was a direct reflection to one side of this committee by one sentence and there was an indication that members on the other side were prepared to remove it. I've heard these indications from both sides, but I haven't had an amendment yet.

Mr. Uskiw.

HON. S. USKIW: Mr. Chairman, maybe we can resolve this. If it is the position of the Member for Morris that he wants no reference on that point on the part of the Conservative members of this committee, then that's very simple. We can delete any reference with respect to the Conservative Party or the Conservative members of this committee.

On the other hand, I would hope he would agree with me that by leaving the balance of it in this report that there is no argument about the fact, or no dispute about the fact that this is a recognized position of the New Democratic Party. I mean, nobody here is denying that. We are saying, that's our position. You are hearing us say that it is our position, and all this report does is state that. It doesn't recommend it. It only merely points out that we have a position that is not being recommended by this committee. So I don't see that we should get hung up on that issue.

MR. CHAIRMAN: Mr. Manness.

MR. C. MANNESS: Mr. Chairman, I understand what the Minister is saying, but again we were not asked as a committee by the Legislature to go into committee hearings to bring forward political party views. I do not believe we were asked to do that in any sense, therefore, I can't see how we could continue this process.

HON. S. USKIW: Mr. Chairman, perhaps I can be more persuasive, I don't know. The Member for Morris, and I don't want to say it in a negative context, of course

MR. C. MANNESS: Go ahead.

HON. S. USKIW: . . . no, I don't mean it that way so I don't want to say it that way - has not served in the Assembly long enough to have had the experience of serving on many committees over a number of years which some of us have had and by and large, most reports that come out of a committee of the Legislature are politically biased. Historically, that's fact.

This one, we are attempting to be quite a bit more neutral by only showing our bias by way of a disclaimer, rather than by way of a recommendation. We're doing that because we believe that we can't do it in the recommendation with the comfort and support of the Conservative members of this committee, or the Member for Brandon West for that matter. So we are trying to take away that conflict by this method. I believe that is going the extra yard in compromise in order that we can deal with the substance of the report, which is the recommendation.

MR. CHAIRMAN: Mr. Carroll.

MR. H. CARROLL: We're dealing with all of this, I'm told, because it's a quid pro quo for the third of the recommendations. I have been convinced by what my friend for Morris has had to say that all this would be unnecessary if there were no recommendations made. I am now convinced of that, and that we end up saying that we will maintain a firm position on the retention of the Crow rate, period.

MR. CHAIRMAN: Mr. Carroll, you're suggesting that the next paragraph would read: Therefore your committee recommends that the Province of Manitoba maintain a firm position on the retention of the Crow rate, period. Okay, that proposed amendment would be in order after we deal with the preceding paragraph, but it's certainly an indication of your position when we get there.

Further discussion on the proposed amendment to Paragraph 4, on Page 8.

Mr. Downey.

MR. J. DOWNEY: Mr. Chairman, I appreciate what the Minister of Highways is trying to do. I again want to put on the record that I disagree in principle with including this in the report. We're not prepared to introduce a subamendment but if the government feels that they want to have it in there, they have the majority in the committee and we have to put the question, but I'm not supporting in any way this kind of an inclusion in the report.

MR. CHAIRMAN: Mr. Uskiw.

HON. S. USKIW: Can I ask the Member for Arthur to at least indicate to us whether they would prefer that we remove any reference to the Conservative Party in that section, and we'd be prepared to move that amendment?

MR. J. DOWNEY: No, Mr. Chairman. We'll vote against it in principle and in the inclusion of that whole total thing in the report.

HON. S. USKIW: So, you want that in?

MR. J. DOWNEY: Huh.

HON. S. USKIW: No, he wants to vote the whole thing down . . .

MR. J. DOWNEY: That's right.

HON. S. USKIW: . . . but ultimately you'd prefer not to have your members associated with that section, is that the understanding?

MR. J. DOWNEY: You're being overly kind, Mr. Chairman, to the Minister. We have made our decision that we don't support in principle putting that in the report. That was not our mandate and that is our position. Whether you want to delete it or not, that is your business. We have made our statement on it.

HON. S. USKIW: I'm having some difficulty, Mr. Chairman. I'm trying to be accommodating, and I would like to know if we pass that amendment whether the Conservative members would prefer to have it passed even though they don't want it there including reference to their party's position, or whether if we pass it they would prefer that we not make mention of their party's position?

MR. CHAIRMAN: Mr. Manness.

MR. C. MANNES: Well, Mr. Chairman, it's such a serious paragraph, and you're right, to the Minister, he's correct, I don't have the history of being involved in many of these committees . . .

HON. S. USKIW: I'm knocking you.

MR. J. DOWNEY: He'll get the experience.

HON. S. USKIW: Yes, that's right.

MR. C. MANNES: . . . but I'm learning. The point that I'm trying to make is that I really wonder how we can sort of bulb around this and then attempt to come together again on recommendations when we have such a barrier at this point in time.

HON. S. USKIW: Only because that's a disclaimer. It's like a notwithstanding clause in a contract.

MR. C. MANNES: Well, Mr. Chairman, I can accept the fact that there were people that came before us that made that view, I can accept that there were New Democratic spokesmen who came forward and made that . . .

HON. S. USKIW: That's right.

MR. C. MANNES: . . . but I cannot accept that New Democratic Party members of this committee can come forward and make this in their name a statement of fact. — (Interjection) — Well, Mr. Chairman, the Minister says that's his party's position and that's fine, and the Legislature is the place then to make that position. That's the proper place, not this committee, because that wasn't the mandate of this committee.

MR. J. DOWNEY: You shouldn't ask us to be a party to that.

MR. C. MANNES: So, if you're asking for guidance, I would say that if it's the committee's will that we vote on this, that I'm afraid we'll have to, you know, terminate our involvement as far as following this report to the end.

MR. J. DOWNEY: Mr. Chairman, this may be of some help to the Minister. If he were to put in there the comment that we heard at some of the meetings that there was reference made to the precise content of what he's saying, I think we could agree that there was reference made to that. If he wants to say that it came from members of the New Democratic Party, just from the hearings, then he would be reflecting what we heard during those hearings, and we may still vote against it. That would be determined after we saw the rewriting of this particular so-called "notwithstanding" that he wants to put in the report. If he's trying to be helpful to us, he could be helpful to us if he deleted the thing totally and made reference to it as we heard it in the farm community. He might be able to rework it so that it might be passed with a push and not . . .

MR. CHAIRMAN: Mr. Adam.

HON. A. ADAM: Mr. Chairman, I think what the Member for Arthur is suggesting is that if we reword the first line in the subamendment and that we delete the last line. Is that an interpretation that we - I'm not sure whether they would support that if it was changed, but it's my understanding that if we deleted the words "New Democratic Party" but rather that it came at the hearings.

MR. CHAIRMAN: Mr. Adam, I think what Mr. Downey has indicated is that under no circumstances will he

support this amendment, but that his objections might be less strenuous if we made certain changes.

MR. J. DOWNEY: We might even be able to agree with it if it's worded properly.

MR. CHAIRMAN: Mr. Uskiw has asked for a moment to consider an amendment.
Mr. Uskiw.

HON. S. USKIW: I'm wondering, Mr. Chairman, since this is a position of the NDP, it's a political posture, whether it would be in order for the committee to recess for five minutes and to bring a redraft of this section that might be acceptable.

MR. CHAIRMAN: The committee is recessed for 10 minutes and will reconvene at five to 10.

MR. J. DOWNEY: Will the room be kept secure, Mr. Chairman?

(Short recess)

MR. CHAIRMAN: Committee, come to order. I believe Mr. Ashton has some proposed changes in his amendment. Mr. Ashton, are you prepared then to withdraw your first amendment proposal?

MR. S. ASHTON: Yes, Mr. Chairman, and in the interests of accommodating the Member for Arthur and other members of the committee who have expressed concern about this I'd move the following motion: "On this issue, New Democratic Party members presented briefs which supported the position of the Manitoba Government that contributions to capital, such as the allowance for cost of capital of 20.5 percent and the contribution to overhead of 20 percent be clearly identified as contributions to capital stock, and that in order to be eligible for such contributions, CP Rail must issue equivalent value in common shares to the Government of Canada."

MR. CHAIRMAN: Discussion on the amendment moved by Mr. Ashton.
Mr. Manness.

MR. C. MANNES: Mr. Chairman, in talking to my colleague, I think we can agree to that, but we would like to see that then replaced in the proper section of the report, which in our view would be somewhere on Page 3.

HON. S. USKIW: Page 3, you may be right, I'll take a look. Page 3 - oh, along with the other submissions? You'd have to revise a whole bunch of things that do that in the report because it's a sequential thing and then this is a follow-up to it. Well, you have to do quite a revision.

MR. CHAIRMAN: Order please. The transcribers are going to have difficulty. I'm prepared to recognize individual members in response to Mr. Manness' proposal.
Mr. Uruski.

HON. B. URUSKI: Mr. Chairman, Mr. Manness will see that you'd have to make a number of changes because this paragraph flows sequentially following the paragraph dealing with investment and variable costs, and all the matters that were raised in the previous amendment.

MR. CHAIRMAN: Mr. Manness.

MR. C. MANNES: Well, Mr. Chairman, I hope the Minister of Agriculture realizes the part following his argument, as it also flows sequentially from Page 3, where all the groups are mentioned as to their views on certain aspects of Pepin's proposals. He chooses to key on one factor, that being the equity aspect, and I suppose there are some of us that could key on another aspect. So I'm not saying he's wrong but I'm certainly not saying he's right.

MR. CHAIRMAN: Further discussion on the amendment proposed by Mr. Ashton. All those in favour of the amendment please say aye. Opposed to the amendment please say nay. I declare the amendment carried.

Paragraph 4, on Page 8, as amended—pass; Paragraph 5, which is the introductory paragraph to the recommendation section.

MR. J. DOWNEY: Just a minute, Mr. Chairman. Where were you at? What did you just pass?

A MEMBER: All we passed was just what we voted on, an amended paragraph.

MR. CHAIRMAN: We deleted the existing Paragraph 4. Well, I still call the question on the paragraph as amended. We deleted Paragraph 4 and substituted another paragraph by way of amendment. We voted on the amendment. I've now asked for the paragraph as amended which is basically just the amendment.

HON. S. USKIW: That's right.

MR. CHAIRMAN: And I'm now putting the question or proposing to pass Paragraph 5, on Page 8, and that is the introductory paragraph to the recommendations. It starts with the word "therefore."
Mr. McKenzie.

MR. W. MCKENZIE: I have a problem, that the government make the following recommendations to the House of Commons. I don't think that this committee has that authority. We report to the House, Sir, I think that's all.

HON. S. USKIW: Well, we're not there yet, are we? But we have an amendment first.

MR. W. MCKENZIE: Oh, I'm sorry.

MR. CHAIRMAN: Was there an amendment prior to . . .

A MEMBER: On Paragraph 5, Mr. Chairman.

MR. CHAIRMAN: Yes, that's the one I want. But Mr. McKenzie's in order to debate that.

HON. S. USKIW: Except we haven't got a motion yet.

MR. CHAIRMAN: The motion stands to approve it as it was tabled by Mr. Uskiw on May 26th until somebody amends it, and Mr. McKenzie was the first speaker I recognized.

Mr. Ashton I will recognize after Mr. McKenzie is finished speaking, but Mr. McKenzie had the floor.

Mr. McKenzie.

MR. W. McKENZIE: Mr. Chairman, I'd be prepared to move, that all the words after Crow rate be deleted. At least the part "that the government make the following recommendation to the House of Commons," because I don't think that in the terms of reference that the committee has that power as I read it. We make the recommendations to the Legislature.

MR. CHAIRMAN: Mr. Uruski.

HON. B. URUSKI: Mr. Chairman, yes that makes sense.

MR. W. McKENZIE: The committee can report to the Legislature.

HON. B. URUSKI: Recognizing that the committee reports to the Legislature, a committee can decide to do whatever the committee desires in terms of the committees role in the . . .

A MEMBER: No.

HON. B. URUSKI: Oh yes.

MR. J. DOWNEY: Our directive is from the Legislature.

MR. CHAIRMAN: Order please.
Mr. Uruski.

HON. B. URUSKI: Mr. Chairman, the honourable members know that a committee, directed by the House to enquire into certain things, can make certain decisions and can take certain actions that it deems necessary in the work of that committee which doesn't preclude - and we may agree to what is being suggested - but I just want to make it clear that a committee does make its own decisions once the committee, shall we say, is constituted and has been given the mandate to enquire into certain things.

A MEMBER: Right.

MR. CHAIRMAN: Mr. Uskiw.

HON. S. USKIW: Mr. Chairman, I believe we can accommodate some change then. We would have to put a period at the end of the word "recommendations" and we would have to delete the word "government" on the last line and put in "the committee." That would accomplish what the member is suggesting.

MR. CHAIRMAN: Mr. Downey.

MR. J. DOWNEY: Mr. Chairman, I have a little problem with the word "recommends." I think it is a report that

we've been asked to submit, not recommendations, and I refer back to the resolution, that our directive from the Legislature was to report to this Session of the Legislature, not to report and make recommendations, but to report; and I have difficulty in the mechanics of what we're doing here.

I think that if you were to take it into the House on the introduction of it, it would be again debatable and if the Legislature wanted a report from the committee, that they would redirect us to report back. But I don't think we have the mandate at this point to make recommendations to the Legislature. It is not my understanding that that is the mandate.

Mr. Chairman, further to that, in my report I would very quickly to tidy up the report - and it may not be necessary - but I think you could quite easily sum the hearings that we had in Manitoba up very quickly. One, the National Farmers Union position which was absolutely no change.

The Manitoba Farm Bureau position, which was a basic acceptance of the initial Gilson Report, with problems with the cap of 31 million tons and the inflationary costs of the farmers were to be picked up.

Manitoba Pool Elevator's position which was that of the Pepin proposal being generally accepted with the shortfall of 60, or the monies that the government are putting into the railroad of \$651 million direct to the railroad and various farmers taking the different positions.

That would be the summation of the report plus the addition, that there were some requests by people presenting submissions to the committee that the Port of Churchill should be in fact part of the report.

HON. S. USKIW: Well, Mr. Chairman, I know it's getting on but in case members have forgotten, the wording is derived from their own suggested report. It is in your list of recommendations.

MR. J. DOWNEY: It was a second thought.

HON. S. USKIW: Okay.

A MEMBER: Dissension within the ranks.

MR. CHAIRMAN: Everyone's entitled to a second thought.

Mr. Manness.

MR. C. MANNES: Well, Mr. Chairman, the word "recommends" of course concerns us and you're right, it was in some of our original work. We would beg though that you'd consider the wording "that your committee believes that the majority of Manitoba producers wish to maintain a firm position on the retention of the Crow rate," and then lead into the rest.

HON. S. USKIW: And then go into the balance instead of using the word "recommends." Okay, so what you're really saying here is that this committee has no opinion?

MR. CHAIRMAN: Oh, no, the committee still recommends.

HON. S. USKIW: Oh, I see. So, you're saying the committee believes this is what the producers think,

and therefore these are the recommendations that flow from that?

MR. C. MANNESS: No, no.

MR. CHAIRMAN: Mr. Manness.

MR. C. MANNESS: Just give me a minute please, Mr. Chairman.

HON. S. USKIW: You should have taken that one. That wasn't bad.

MR. C. MANNESS: Mr. Chairman, I'm trying to look for the place to go to look at the best location of all the amended listing or recommendation - let's call them that at this point in time. Where would they be? Would it be my copy?

MR. CHAIRMAN: Mr. Manness.

MR. C. MANNESS: Thank you. Mr. Chairman, I'm almost totally confused, but I'll try one more time. I'll say, I would move then that the final paragraph of the report leading into the listing of items, read: "Therefore your committee believes that the majority of Manitoba producers want to maintain a firm position on the retention of the Crow rate," and then leading in from there, "and" followed by a colon, "that until a more equitable formula for establishing grain transportation to develop the present statutory rate should remain in effect; that the equitable formula must remove or raise the tonnage cap . . ." and down the line.

HON. S. USKIW: Well, I want to speak to that.

MR. CHAIRMAN: I'm going to have to say the amendment as proposed, because I haven't got it all down, but I think it's very clear that the intent of the amendment is to state that the majority of Manitoba farmers maintain a firm position on the retention of the Crow, and the following recommendations, so that the committee is, in effect, not making any recommendations. That's the nub of the proposed amendment. I trust other members understand the proposed amendment of Mr. Manness that's now before the committee.

Mr. Uskiw.

HON. S. USKIW: Mr. Chairman, I think I have difficulty with that because that puts the committee in complete limbo. We then have no opinions to give to anyone basis our analysis of what we received out in the country, and I think that we would be somewhat less than responsible if we didn't sum up what we believe to be a position that should be taken by this committee.

MR. C. MANNESS: That's the word I used. I used the word "believed."

HON. S. USKIW: No, I know, but this committee is expected to, and should be making some recommendations. We shouldn't just say what we think the public thinks. We have to say what we think. I don't believe that we can sit by and say, well, we have no

opinion, we're just telling you what the public out there is saying. I don't think we can live with that.

MR. CHAIRMAN: Mr. Uruski.

HON. B. URUSKI: Mr. Chairman, I just have some difficulty now with the position taken by honourable members opposite and base it on several circumstances. Last Session, we were criticized by members of the Conservative Party that we did not even vote on a resolution; that we did not put a legislative position very clear to the House to be sent on to Ottawa. We then recalled the committee this Session — (Interjection) — Well, Mr. Chairman, we were criticized by honourable members. The Member for Arthur, the Member for Pembina was one of those very, very critical of us that we did not deal with the question, and here we are sitting here tonight saying, gee, let's not deal with the question. Yet, we have had prepared for the committee and the committee has, I would say, bent over backwards to try and accommodate . . .

HON. S. USKIW: Unfair, unfair.

MR. C. MANNESS: We've all bent over backwards.

HON. S. USKIW: That's benevolence, Bill.

HON. B. URUSKI: Well, Mr. Chairman has accommodated us, all members have accommodated each other in terms of positions put forward, but the point I'm trying to make is that there is a conservative proposal of members of the Conservative Party to us with recommendations which seems that now they are wanting to back away from, in terms of the recommendations that they have made for consideration of the committee. You know, I'm just wondering where we are in this issue and it would certainly, in my mind - I have not seen a committee, after concluding a set of hearings as agreed to by the committee, not making its position clear, and it would be really, if anything, an abdication of our responsibility.

MR. W. MCKENZIE: Just a question, Mr. Chairman.

MR. CHAIRMAN: I had Mr. Downey next.

MR. J. DOWNEY: I'll yield to . . .

MR. CHAIRMAN: Mr. McKenzie.

MR. W. MCKENZIE: Just one question. The procedure of - I don't have it clear. This committee reports to the House, then the House makes a . . .

HON. S. USKIW: No.

MR. W. MCKENZIE: You just report to the House then?

HON. S. USKIW: That's it.

MR. W. MCKENZIE: That's it, but the House has the authority to recommend that the government proceed, or . . .

HON. S. USKIW: The House can do whatever the House wants to do.

MR. CHAIRMAN: Mr. McKenzie, the mandate before the committee is as you have read it in the resolution that was passed on March 15th. Our House has by practise more than 15 years ago stopped entertaining concurrence motions in committee reports. The reports are assumed to be reports of a majority of the committee and the committee being representative of the House, concurrence motions ceased in the mid-sixties. You may be thinking of the time when concurrence motions were commonly used, but that's no longer the practise, that was dropped in the Rules Committee some years ago.

MR. W. McKENZIE: Thanks, I've got it now, Mr. Chairman.

HON. S. USKIW: It's been around a while, Wally.

MR. CHAIRMAN: Mr. Downey.

MR. J. DOWNEY: Mr. Chairman, I would have been under the understanding prior to that, that it would have been a debatable issue when it got back into the House, if it was not agreed to by the committee members just by traditional practice; that it would have been a debatable issue, once it got back onto the floor of the House.

MR. CHAIRMAN: Mr. Downey, I can clarify that. The committee reports were debatable when there was a motion for concurrence in the report, where the report required adoption by the House. The only reports that any Standing Committees make to the House now, that require adoption, are reports from the Rules Committee because they have to be adopted by the whole House to become formally part of the Rules of the House and reports from committees considering bills. The report of the committee considering bills is formally adopted by the House by passing the motion for third reading, and we no longer have the concurrence motions to which, I believe, Mr. McKenzie was referring which were last used in the late '60s.

Now, at any time a government resolution or a private members' resolution could be introduced advocating concurrence or non-concurrence in a committee report, that is still in order; it's just not a common practise. Does that answer your question, Mr. Downey, as to the Rules?

Mr. Downey.

MR. J. DOWNEY: Well, I guess the information that we're receiving, subject to further review of it, I would take it as reasonable and accept it at this point. One of the difficulties that I'm having, and I guess the power of this committee is somewhat restricted, what we are recommending or you're asking us to recommend, or whether you're looking at the proposal that was taken from yours and put on ours with some changes made to it, that the committee is directing the government to do certain things. Do you feel that the government may or may not do it? I guess if it gives any help to the committee, even though the opposition were part

of the hearings, are we now making this recommendation that the government proceed either to make recommendations to the House of Commons or . . .

MR. CHAIRMAN: Mr. Downey, if I could be of some assistance. Earlier, before Mr. Manness moved his amendment, Mr. Uskiw suggested that the word "government" in the third line of Paragraph 5 be replaced with the word "committee," so that the committee was making the following recommendations period, or you could say, and remove the phrase, "to the House of Commons." But I believe if you wish Mr. Uskiw was prepared to accept, "to the Legislative Assembly."

HON. S. USKIW: That's right.

MR. CHAIRMAN: But that was something Mr. Uskiw was proposing before Mr. Manness moved his amendment, which would have removed the committee making any recommendations whatsoever. So, the amendment before us now is, Mr. Manness's amendment which proposes to remove any committee recommendations.

Any further discussion on Mr. Manness' amendment?
Mr. Harapiak.

MR. H. HARAPIAK: Mr. Chairman, after going out in the country and having the hearings and receiving what I believe was a fairly clear message from all the people who make presentations, and then receiving a report from the government members of the House and a contrary report from the opposition members - and I believe that they had some clear direction at that time - I do not believe it'll be reasonable not to make some recommendations. I believe we would be shirking our responsibilities as a committee not to come in now and give some sort of a recommendation as to what the committee's findings were and the hearings we held throughout the country.

MR. CHAIRMAN: Further discussion on the amendment?
Mr. Manness.

MR. C. MANNES: Well, Mr. Chairman, as a point of clarification. If we were to say and accept and adopt the comment or the paragraph that the committee recommends, maintain a firm position of retention of the Crow rate. That is the Pepin proposal that we took to the country and it makes no reference whatsoever to the existing changes that have come forward. In other words, what we're talking about is the original Pepin proposal.

MR. CHAIRMAN: Mr. Manness, I think it's very clear that the references to the changes have already been struck out of the report.

HON. S. USKIW: That's right. They have. Yes.

MR. CHAIRMAN: Mr. Uruski, did you wish to comment on that question?

HON. B. URUSKI: No. Basically, you've answered the point, Mr. Chairman.

MR. CHAIRMAN: Mr. Manness, do I take it from your question that you are then considering withdrawing your amendment and looking for a different amendment? I'm unclear as to where we're going here.

MR. C. MANNES: Just give us 30 seconds here.

HON. S. USKIW: Okay.

MR. CHAIRMAN: Mr. Manness.

MR. C. MANNES: Mr. Chairman, yes, we'd like to leave on the record our amendment. Do you have it in detail?

MR. CHAIRMAN: I'll read the amendment again. Moved by Mr. Manness that Paragraph 5, on Page 8, be amended to strike out the words in the first line, "recommends that the Province of Manitoba" and substituting therefor, "believes that the majority of Manitoba farmers want to" and then continuing on "maintain a firm position on the retention of the Crow rate, and;" and delete the balance of that paragraph through to the words "House of Commons." So, that after the semicolon following the word "and" the recommendations would follow.

MR. C. MANNES: Correct. Where those items that were spelled out in our document that we presented at the last meeting; one, two, three, four, five, six of them. I assume that they're the same as the others.

HON. S. USKIW: There'll be some minor changes on them.

MR. CHAIRMAN: The motion, as moved by Mr. Manness in amendment to Paragraph 5. Are you ready for the question, gentlemen?

All those in favour of the amendment, please say aye.

All those opposed to the amendment, please say nay.
In my opinion the nays have it. I declare the . . .

A MEMBER: Count the votes, please.

HON. S. USKIW: He wants to have it recorded, that's okay.

MR. CHAIRMAN: All those in favour of the amendment please raise their hands.

MADAM CLERK: One, two, three, four, five.

MR. CHAIRMAN: All those opposed to the amendment please raise their hands.

MADAM CLERK: One, two, three, four, five.

HON. S. USKIW: They want to put you on the spot, Andy. It's a good tactical move.

MR. C. MANNES: That's what you get paid for, Andy.

HON. S. USKIW: Do you have any views on this, Mr. Chairman?

MR. CHAIRMAN: Since the Chair is being forced to vote, I think the Chair is entitled to express an opinion.

The Chair will vote opposed to the amendment because the Chair believes that the committee's mandate to report at this Session of the Legislature includes an obligation as is placed upon legislative committees throughout the British Parliamentary system to make recommendations and that that is what committees do, whether they're reporting on bills or on specific assigned subject matter.

So the Chair votes opposed, not because of this issue, but because of an obligation that is placed upon committees to make recommendations.

The paragraph as it is now before us is not amended, are there any proposed amendments to the paragraph.

Mr. Ashton. Now Mr. Ashton needs 30 seconds.

MR. CHAIRMAN: Mr. Ashton.

MR. S. ASHTON: I would move . . .

MR. CHAIRMAN: Order please. We've been getting along very nicely tonight, but we are at a very complicated portion of the committee hearing in terms of working out some very complicated language, and I think it's crucial that all members pay attention. Those who don't want to and those who are carrying on conversations at the side of the committee would be welcome to leave.

HON. S. USKIW: We can't lose our majority.

MR. CHAIRMAN: The fellows over there. I apologize to the Member for Ste. Rose for hitting the gavel quite that hard.

A MEMBER: The Member for Ste. Rose? What about the rest of us?

MR. CHAIRMAN: Mr. Adam.

HON. A. ADAM: Mr. Chairman, on a point of privilege. I was just commenting that had I voted with the Opposition it would have made my work a lot easier when I called a Municipal Affairs Committee together. I wouldn't have had to make the recommendations to the House.

HON. S. USKIW: That's right.

MR. CHAIRMAN: Mr. Ashton with an amendment, please.

MR. S. ASHTON: Thank you, Mr. Chairman. I would move, that Paragraph 5 on Page 8 be amended by striking out the paragraph in its entirety and replacing it with the following paragraph:

"On the basis of the above considerations, your committee recommends that the Province of Manitoba maintain a firm position on the retention of the Crow rate; and that the committee make the following recommendations to the Legislative Assembly."

MR. CHAIRMAN: You've heard the amendment as read by Mr. Ashton. Is there any discussion? Is it agreed?

Paragraph 5 on Page 8, the amendment as moved by Mr. Ashton. I didn't hear any nays. Is it agreed? (Agreed) Paragraph 5 then as amended—pass.

Gentlemen, we're now into the recommendations. I'll number them on the May 26th document as 1, 2, 3, on Page 8, and 4, 5, 6, on Page 9 for ease of reference. On Mr. Manness' document, I will number them one through five in case there's any cross reference.

Recommendation No. 1 - Mr. Ashton.

MR. S. ASHTON: Yes, Mr. Chairman, I would move the following amendment: That in this recommendation, the recommendation be changed by amending the period after the words "in effect" into a semi-colon and by adding thereafter the following: "AND THAT in the interim the Government of Canada should reimburse the railway companies for out-of-pocket losses incurred in grain transportation."

MR. CHAIRMAN: The amendment moved by Mr. Ashton is on Page 3. It's the third amendment on Page 3 in the amendments distributed at the beginning of the meeting today. Is there any discussion?

Committee members will note that, in effect, recommendations one and two in Mr. Uskiw's original draft report are combined into one.

Mr. Bucklaschuk.

HON. J. BUCKLASCHUK: Just for clarification, I notice that Mr. Ashton has left out the word "only." Was that intentional?

HON. S. USKIW: Yes, I think that was intentional.

MR. CHAIRMAN: Mr. Uskiw confirms that was intentional.

HON. S. USKIW: Then that's a deletion.

MR. CHAIRMAN: Is there any discussion? Is it agreed? Recommendation No. 1—pass as amended; Recommendation No. 2 in the proposed report exists - it's now repetitive. I'm looking for a motion to delete. Mr. Manness moves that Recommendation No. 2 be deleted. Is there a substitute?

Mr. Ashton.

HON. S. USKIW: No, we incorporated it one.

MR. CHAIRMAN: Okay, Recommendation No. 2 to be deleted—pass. Agreed? (Agreed.)

Mr. Ashton.

MR. S. ASHTON: I move No. 3 be deleted, Mr. Chairman.

MR. CHAIRMAN: Mr. Ashton moves that Recommendation No. 3 be deleted. Is that agreed?

Mr. Manness.

MR. C. MANNES: Mr. Chairman, I'm wondering why that should be deleted. It may seem odd.

HON. S. USKIW: You want it back in after all that debate? Are you serious?

MR. CHAIRMAN: I don't know if any other members want to speak after Mr. Manness' comment, because that might destroy the impression on the record that he supports Recommendation No. 3.

MR. J. DOWNEY: Carry on.

MR. CHAIRMAN: Is it agreed Recommendation No. 3 be deleted? (Agreed)

HON. S. USKIW: One and two as combined, and then two deleted.

MR. CHAIRMAN: The fourth motion on Page 3 on the proposed amendments distributed by government members — (Interjection) — pardon?

HON. S. USKIW: He said Page 3.

MR. CHAIRMAN: Yes, but I'm looking at the amendment sheets.

HON. S. USKIW: Looking on the amendments, yes, right. Okay.

MR. J. DOWNEY: It's running smoother than an NDP caucus meeting.

MR. CHAIRMAN: That motion appears to accomplish what was moved by two separate motions, to delete recommendations two and three, and that the following paragraph be substituted therefore, which appears to be similar to Recommendation No. 2 from Mr. Manness.

HON. S. USKIW: That's right. Now we got it.

MR. CHAIRMAN: Mr. Ashton, did you wish to move then the latter half of that motion since we've moved the first two portions?

MR. S. ASHTON: I would move the following motion, that the following paragraph be inserted before . . .

MR. CHAIRMAN: After Recommendation No. 1?

HON. S. USKIW: Yes, Mr. Chairman.

MR. S. ASHTON: The numbering system has me somewhat confused. Prior to Recommendation No. 4. The motion reads:

"THAT an equitable formula must not have a tonnage cap and must provide for a ceiling, tied to the price of grain, above which freight rates will not be permitted to rise."

MR. CHAIRMAN: The amendment as moved by Mr. Manness, the last amendment on the distributed amendments. Is there any discussion? Pass?

HON. S. USKIW: Which one is that.

MR. CHAIRMAN: That's Mr. Manness' Recommendation No. 2 with some changes, I believe. So that then takes us to Recommendation No. . . .

HON. S. USKIW: Wait a minute. We have to agree on what we just did.

MR. CHAIRMAN: The amendment as moved by Mr. Ashton that Recommendation No. 2 will now read as follows:

"THAT an equitable formula must not have a tonnage cap and must provide for a ceiling, tied to the price of grain, above which freight rates will not be permitted to rise."—pass.

HON. S. USKIW: So that's a new 2, in other words?

MR. CHAIRMAN: That's right.
Mr. Adam.

HON. A. ADAM: I'm wondering, I have some difficulty in correlating this with what we have passed previous, in that this committee recommends the retention of the Crow rate, and now we are talking about caps and ceilings on rates. It seems to me that there is quite a confusion here on what we're doing.

I don't know whether I understand fully the intent of what we are proposing in that in the beginning of our recommendations, we are saying that this committee affirms the retention of the statutory Crow rate. Then in the following recommendations, after we say that we want the Crow rate to stay in place, we now say that a lot of things should not happen. We would have been almost as well to say that we accept the Pepin proposal, but we don't want these following things to happen. I just point that out for the record that I have some difficulty with that.

HON. S. USKIW: Mr. Chairman, I know it's somewhat confusing because of the way in which we are proceeding, but for the benefit of members that had some difficulty in following our process, we started off by saying the Crow must stay until a more equitable formula is established, and then we're spelling out some of the criteria for that to be established. That's essentially what we are saying.

MR. CHAIRMAN: We're now at Recommendation No. 4 on Page 9 of the original draft.
Mr. Ashton.

MR. S. ASHTON: Mr. Chairman, I believe the Conservative members had requested the addition of the words "and soybean products" after sunflower oil in that recommendation. I don't know if it would be in order for myself to move that, but . . .

MR. CHAIRMAN: Did you have an amendment to this paragraph, Mr. Manness, or to this Recommendation No. 4?

MR. C. MANNES: Mr. Chairman, I guess after losing that last vote, I hesitate to speak at all on this section.

HON. S. USKIW: We don't win them all either, you know.

MR. C. MANNES: No, no, it's not because I am a hard loser, it's not proper to do so. Certainly my intent

when we brought forward our document the other day was to include soybean products, realizing that it has the potential of being an emerging special crop also.

MR. CHAIRMAN: It's moved by Mr. Manness to include the words "and soybean products" after sunflower oil in the second line of Recommendation No. 4. Is that agreed? (Agreed)

Recommendation No. 4 as amended—pass;
Recommendation No. 5 - are there any amendments to Recommendation No. 5 by either side?
Mr. Manness.

MR. C. MANNES: Mr. Chairman, I would place an amendment which is spelled out at the bottom . . . that says, and I quote, "However, the Canadian Wheat Board working in the best interests of prairie farmers must not be forced into declaring volume guarantees for Churchill or any other port."

MR. CHAIRMAN: Order please.
Mr. Manness, No. 5 in Mr. Uskiw's is No. 4 in yours.

MR. C. MANNES: Oh, I'm sorry.

MR. CHAIRMAN: And I believe they're identical, so we'll pass Recommendation 5.
Now, Mr. Manness, Recommendation 6.

MR. C. MANNES: I believe every member heard my comment, so I would make therefore the amendment that that addition be made.

MR. CHAIRMAN: Moved by Mr. Manness that the following sentence be added to Recommendation No. 5 - I believe that's the only difference - "However, the Canadian Wheat Board working in the best interests of prairie farmers must not be forced into declaring volume guarantees for Churchill or any other port." Any discussion on the proposed amendment?
Mr. Uskiw.

HON. S. USKIW: Mr. Chairman, I would be inclined to go along with that except I want to make one observation, and that is that it gets back to the nub of the objections that members on the Conservative side have made throughout this whole discussion, and that is not to add something that was not part of this debate or not to inject new items. On that basis, I think he should withdraw that recommendation.

MR. C. MANNES: Mr. Chairman, the Minister in his glib way has convinced me that he's cracked, and I will withdraw.

MR. CHAIRMAN: The amendment is withdrawn.
Gentlemen, the original motion then stands. Is that agreed? (Agreed)

Gentlemen, may I have your permission to renumber the amendments. We are now missing a No. 3. I would propose to renumber 4, 5, and 6 as 3, 4, and 5 respectively. Is that agreed? (Agreed)

Gentlemen, I will entertain a motion to pass the report — (Interjection) — oh, yes, my apologies.

Gentlemen, I would ask you to return to the bottom of Page 6 and reference the next five paragraphs;

Paragraph 3 on Page 6 and Paragraphs 1, 2, 3 and 4 on Page 7.

MR. J. DOWNEY: Scrub them.

HON. S. USKIW: We can take them all out, can't we?

MR. CHAIRMAN: What is your will and pleasure?

HON. S. USKIW: We can leave one if you want. I mean the last one if you want.

MR. J. DOWNEY: What was that again, Mr. Chairman, remove - what was it?

MR. CHAIRMAN: I did not make a proposal.

MR. J. DOWNEY: No. What were the paragraphs in question?

MR. CHAIRMAN: The paragraphs in question are Paragraph 3 on Page 6, the last paragraph on Page 6, and the first four paragraphs on Page 7.

Now for the convenience of members, I will remind you that it was moved earlier that the bottom paragraph on Page 6 and the first three paragraphs on Page 4 be removed, and that the fourth paragraph, the one that begins with the phrase, "It is evident to your committee . . ." several amendments were suggested to that paragraph. I understand some members are proposing, and did propose before we left this item earlier, that we could also remove that fourth paragraph on Page 7, or we could amend it. Now I have yet to hear a motion as to how you wish to proceed. Could I have a motion please?

Mr. Manness.

MR. C. MANNES: Mr. Chairman, I would first of all move that we remove all five of those paragraphs. I don't know whether the sequence breaks down or not. I forget the discussion previous.

HON. S. USKIW: We checked that, didn't we? It doesn't do us any harm.

Mr. Chairman, I believe our staff have checked the sequential paragraphs as they now relate to each other and we can be comfortable with the removal of that one as well.

MR. CHAIRMAN: I point out to members that the final sentence, if we remove the paragraph or remove the five paragraphs after the quote from the Grandview farmer will read as follows: "Your committee respects the logic of that argument."

The next paragraph, since we're going to be removing the paragraph at the bottom of Page 6 and all of Page 7, will be the paragraph at the top of Page 8, which was amended to read as follows: "Western grain producers may be prepared to accept higher freight rates in return for improved railway transportation services, however, under the formula as has been proposed by Mr. Pepin." So it does appear, in my opinion at least, to follow logically with the removal of that material.

The motion by Mr. Manness to remove the last paragraph on Page 6 and the first four paragraphs on Page 7, is that agreed? (Agreed)

Page 6 then, as amended—pass; Page 7, as deleted—pass.

HON. S. USKIW: You have to say "as amended."

MR. CHAIRMAN: Well, we deleted the whole page, so Page 7 is fully deleted. I won't even put the question on.

The question before the committee is the question moved by Mr. Uskiw on May 26th to adopt the report; however, it's now a motion to adopt the report, as amended. Is there any discussion?

Mr. Manness.

MR. C. MANNES: Mr. Chairman, I beg your indulgence, we'd like to hold it for a second.

MR. CHAIRMAN: Are you ready for the question? Mr. Manness? Is there any further discussion? Are you ready for the question? The report, as amended—pass. All agreed? Mr. Manness.

MR. C. MANNES: Mr. Chairman, I'm wondering when we will know what the mechanics will be of this report, now that we have it in this state. Will the committee be called again to work with it? Certainly, under whose direction is this report going to end up in anywhere other than the House or the Legislature?

HON. S. USKIW: Well, Mr. Chairman, as I would understand the process, once the committee reports to the Assembly, the committee's work is complete, unless the Assembly gives it new direction or reconstitutes it in some way.

MR. C. MANNES: Thank you.

MR. CHAIRMAN: Mr. Uruski.

HON. B. URUSKI: Mr. Chairman, this committee may meet as the members know, consider a Standing Committee for bills and matters referred to it by the Assembly that are before the House. But we are reporting on the matter that was referred to us now and the report is now completed.

MR. CHAIRMAN: Mr. Uskiw.

HON. S. USKIW: Well, Mr. Chairman, I think to be fair to members of the committee it is our intent, at least at some stage, to make our views known publicly and indeed to the Standing Committee of the House of Commons if it ever gets on with this legislation. So that can be taken as a given - you know, we will all have to take a position at some point along the way. — (Interjection) — That's right and I have tongue-in-cheek when I say that because I don't know what we're going to be presenting a brief to, but in the meantime I would like to thank the staff and the committee members for their co-operation. I think we had a most successful venture from the point of view of working together throughout the hearings and indeed throughout the final proceedings here, I think, somewhat unusually co-operative and I appreciate that very much.

MR. CHAIRMAN: Entertain a motion for the committee rise? Committee rise.

Committee rise and report.