

THE LEGISLATIVE ASSEMBLY OF MANITOBA
8:00 p.m., Thursday, May 27, 1976

INTRODUCTION OF GUESTS

MR. SPEAKER: I should like to direct the attention of the honourable members to the gallery where we have 17 members of the Cub Pack of the Second East St. Paul group under the direction of Mrs. Evelyn Sawotin. On behalf of the honourable members I welcome you here this evening.

BILL 56 - THE FOREIGN CULTURAL OBJECTS IMMUNITY FROM SEIZURE

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Thank you, Mr. Speaker. Mr. Speaker, I do not have much more to say on Bill 56. I think I have made my point earlier tonight or this afternoon, in that I don't feel that this is a bill that should be discussed on the basis of politics of any country or on the basis of art exhibits that are coming or will be in Canada or Manitoba from time to time. I think that the point that I made that this particular bill is one that has far-reaching consequences to the people of Manitoba in their privileges in a democratic society.

Just to basically recap I have said that it isn't just the past art that is at subject here, it's past, present and future as to what can happen in the province regarding exhibits of this kind.

Mr. Speaker, as I said anybody who has now, or five years from now, an exhibit to be shown and if part of that exhibit has been, let's just say, taken in some way from a person, this bill says it can be shown in Manitoba and the rights of the individual are null and void in Manitoba.

Mr. Speaker, I'd like to say that I've had a tremendous amount of advice over the supper hour about this bill. You couldn't have imagined the amount of advice that I received. But I would tell you this that the one thing that was said by the Minister of Mines in his legal position of jurisdiction, that anybody would have the right even today to sue in Russia, France, United States, Britain, anywhere at all.

But, Mr. Speaker, let's take another look at the other side of the coin. Here we are as Canadians, and more importantly Manitobans, and here we are as Manitobans who may have come from Europe in the past while, and they come here because they want to come to Canada and they want to come to Manitoba and live here in a jurisdiction that gives them the privileges that we accord to them under the democratic system that we have, now why should we basically say to them that if you believe that something is yours you'd better go and file a suit in some other country. They're here because they want to be here, and that's the credit to us that they came here because of the privileges they have under our society. Now let's not turn around and say to them: "We're going to take those credits away from you. We're going to take those privileges away from you and if you want to decide that the country that you left, whatever it is, and something there is yours, go ahead and sue them over there." We can say that. --(Interjection)-- You can do it now, yes. Mr. Speaker, that is the ironic part of it. We say to them: "You can do that now. You can go and sue in any other country, but you can't do it in Manitoba when you're a Manitoban." That's what we say to them.

Well, Mr. Speaker, the Premier says we can't do it in the U.S. We have gone through the U.S. procedure, and the Premier was not in the House at the time. I say to him that I know that under the Federal Law of the United States that's possible. I'm repeating myself, Mr. Speaker, but to the Premier, under the Canadian Law in the BNA Act there are privileges given to the provinces. Privileges given to us in this House and privileges given to us as members of this House to defend and talk for the people that we represent. I prefer this system. And I say, why take away a privilege, a credit that we have in Manitoba, giving the people of Manitoba the opportunity to make their decision here as to whether they think something is theirs or not instead of saying to them: "Well, go and sue in some other country."

Mr. Speaker, I would basically challenge the Member from St. Matthews.

(MR. F. JOHNSTON cont'd) He has made a very great issue out of the fact that we who vote against this bill will be saying to people: "We're stopping you from looking at art that is our heritage." I feel the democratic right is a big heritage, too, in this country. I think that that right is a heritage that we have and I have no intention of taking it away from them.

If there are people within my constituency who want me to weigh the facts, and I will debate it and talk to them anytime and say: "Well, sure I voted against it, but I had to weigh one thing, the privilege of seeing that is fine and I think that it's a marvelous display of art that is coming here. But I cannot say I can give you that privilege when I take away your democratic rights." And that's really what you're doing. It's really what you're doing, and that you're not only doing it. . . This bill doesn't just refer to art, it will refer to anything.

Some fellow from Sweden one time sneaks across the border and steals half the paintings in Norway and brings them back home and the Swedish Government confiscates them and says: "Oh, great, we can take them to Manitoba and have them displayed." No. You are really saying that stolen property of any kind, if it belongs to another state or country, can make application for immunity in Manitoba making a Manitoban or Canadian immune from having his rights to claim it if it's his.

Now, Mr. Speaker, I have no intention of repeating myself to the point that I did earlier this afternoon. It isn't just art, and it isn't a philosophical thing with me on the basis of countries, it's a basis of what is right and what's wrong, and you have the right in Manitoba at the present time to exercise those rights if you so please. And to argue as we've heard today that there's going to be somebody come back from the grave and say that that Rembrandt that was painted 100 or 150 years ago is mine, that is ridiculous. That's not the argument here today. The argument is the bill generally, and I will not basically vote for it. I wasn't elected by the people I represent to take any rights away from them on that basis. As a legislator as we all are here, we make the laws, and when we make laws we hopefully make them for the benefit of the people. If we want to say, no more dirty movies, if we want to say that, we do it on the basis of what we feel is best, and nobody can tell me that I should take a democratic right away from somebody who elects me because somebody says we've got an art display coming here and we should give them immunity and take away your rights. So, Mr. Speaker, when we speak about not being able to see an art show that is our heritage, let's not forget the heritage that we have, which is the democratic rights of Manitoba, and let's not forget why people do come here and live in Manitoba to have those rights. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Logan

MR. WILLIAM JENKINS (Logan): Thank you, Mr. Speaker. I really hadn't intended to take part in this debate but some of the remarks that have been coming forth from the side of the opposition are just a little bit too much for me to try and swallow all in one day. I've never heard so much clap-trap in my life. And that's really just about what you can describe it as. They are hanging their hats on one little section which is supposedly going to deprive the people of Manitoba of their basic human rights or legal rights. --(Interjection)-- For six weeks, all right, for six weeks. We have had Conservative governments in Manitoba and federally . . .

MR. SPEAKER: Order please.

MR. JENKINS: . . . who have deprived workers of their rights. In fact it's too bad that the Honourable Member for Morris isn't here because he was a member of the Diefenbaker Government, when railway employees were going to go on strike, had taken the strike ballot, they weren't even allowed to strike. They passed bills in the House - they weren't worried about rights at that time. It depends on whose ox is being gored at the time, and you are . . .

MR. SPEAKER: Order please.

MR. JENKINS: . . . well I can see that the Honourable Member for Swan River is in his usual fine fettle, making the kind of asinine remarks that he usually makes in this House. A very poor example of a former Speaker, who sits and interrupts other

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(MR. JENKINS cont'd) . . . members when they're trying to make a point in this House. That seems to be his forte, and that's all he can do. He makes his best speeches from his seat, Mr. Speaker, because they don't get recorded in Hansard that way, and so people can't really find out what he is saying. --(Interjection)-- The Honourable Member for Swan River has ample opportunity after I sit down to get up and speak --(Interjection)-- Well I'm glad to hear that. Perhaps we'll hear something sensible from that side of the room for once.

But, Mr. Speaker, to get back to the bill that is before us, the bill that it seems that certain members on the other side - and I can't say for the members of the Liberal Party because their leader has stated what he is going to do. This is a free vote, and as such, every member in this House can vote to his conscience, according to his conscience, how he feels on this. But to come along and try and tell us on this side of the House, that we are taking away basic human freedoms from the people of Manitoba I say to you again, Sir, is nothing but clap-trap. Absolute clap-trap. --(Interjection)-- Well read it, there's a dictionary over there. Oxford, or Webster's.

Mr. Speaker, I'm not going to take too much of the time of the House up, because I think too much time has been spent on this subject already. We have the opportunity of a lifetime here for young people, our school children, to see some of the finest works of art anywhere, perhaps 40 of the 150 finest pieces of art in the world are going to be on display in this city. It's just too bad that the Government of Ontario has not got the intestinal fortitude or guts to do it. But if they won't, then I don't say that we should withdraw. The Minister, the Honourable Attorney-General has introduced this bill, he's stated that there's no whips on, everybody can vote the way they want. But, Sir, when you heard some of the things that the Honourable Member for Lakeside was saying this afternoon, it's absolute nonsense. There's no other way that you can describe it, when he was describing people, Russian people who had fought in the War, but they were supposedly our enemies, they were our allies during the - not Goehels, or Goering, or Hitler, those were the people who were our allies. But this whole matter should never have developed into an ideological debate such as has taken place in this House, and that's utter nonsense.

I had the opportunity two years ago when I was down in Toronto to see the Chinese Art Treasures, and I don't know how they got from here because the Government of Ontario I don't think had any more guts two years ago than they have now, but perhaps they come here under diplomatic immunity, or whatever method they come here by, or perhaps it was the fact that they were three or four thousand years old, and nobody could trace who owned those. And for the Honourable Member for Lakeside to say that he is protecting his constituents, well I defy him, if he's got decendents of the Romanoff family in his constituency of Lakeside; I don't think we have one in Manitoba.

The Honourable Member for St. Matthews this afternoon stated that he favoured the bill being self-destructive, and I would say that's fair game. I don't care if it's here five years from now. There isn't an art collection anywhere in the world, if you went to the Louvre in Paris, Napoleon looted 80 percent of that from the rest of Europe.

--(Interjection)--

MR. SPEAKER: Order please,

MR. JENKINS: . . . and some of it from even from Russia. So when anything of a cultural or artistic value that belongs in any one of the major museums of the world today --(Interjection)-- Well maybe they left some of it in the snow. The Honourable Member for Portage la Prairie is probably quite right. But, Mr. Speaker, in all seriousness I think that this bit of nonsense that the Conservative Party has been playing, has gone on long enough. I really think that either they want to vote for the bill - they'll have the opportunity to stand up, perhaps they won't stand up, perhaps they'll absent themselves, but I can tell you, Mr. Speaker, and members of this House, that when that bill comes up for second and third reading my vote shall be a Yea vote. Thank you.

MR. SPEAKER: The Honourable Member for Swan River. --(Interjection)-- Order please.

HON. EDWARD SCHREYER (Premier)(Rossmere): . . . yes, Mr. Speaker,

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(MR. SCHREYER cont'd) I put it to you, Sir, as a point of order that when a bill stands in the Order Paper in the name of an honourable member, and if the honourable member is in the House, then I believe that it is not permissible except by leave for any other honourable member to speak.

MR. SPEAKER: Order please. The point has validity, but when we started this debate the Honourable Member for La Verendrye wasn't in the House. Now I shall put the question to him whether he's interested in speaking on the subject. Order please. The member is here, he can't run out, Yea or Nay. . . The Honourable Member for La Verendrye.

MR. BOB BANMAN (La Verendrye): Thank you, Mr. Speaker. I understand. I couldn't be here this afternoon because I had to attend a funeral in my constituency and I'm at a disadvantage to somewhat of an extent because I didn't hear the debate that took place during the afternoon, and I understand from brief conversation with the House Leader on this side of the House, I understand that some of the things that I was going to mention have been taken up in debates during the afternoon session.

Now I would just like to say that I feel that by passing this bill we are taking away certain rights of the constituents and of the people of Manitoba. I think also that we are setting a precedent as far as Canada is concerned. The Member from Wellington just mentioned a little while ago that Ontario is sort of posturing and wanting to see what we're going to do over here. Now I think what's going to happen is that if we do pass this bill we will have set a precedent for Canada and of course then everybody's going to say, well Manitoba passed it, so it should be okay. So I think it's not just a clear-cut case of just passing a piece of legislation and then not worrying about it.

I understand that somebody brought forth the suggestion, or a possible amendment, which would self-destruct the bill after the exhibit had been displayed here, and I think that that was also one of my major concerns about having the bill on the statutes indefinitely and possibly having other exhibits coming in without the Legislature being able to examine certain rights.

I understand that the Member from Lakeside also went into some details about different people who could possibly be coming in and asking for different immunities, and I would like to say that as far as legal suits abroad go I've seen how successful the Manitoba Government has been in trying to extradite somebody from Austria, never mind trying to get something back from one of the Communist countries like Russia. I think that anybody as far as having limited financial means, by no way is going to be able to go through the courts and try and get an art work or any possession that he feels belongs to him or his family back, because we can't even get a man back out of Austria.

Mr. Speaker, by passing this legislation I feel that we'll be waiving some of the rights of the individuals in my constituency and the Province of Manitoba, and I cannot support that concept. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): Thank you, Mr. Speaker. I intend to be somewhat brief. By the invitation of the Honourable Member for Logan, Mr. Speaker, on a personal note, there are times when I possibly annoy him. That's my privilege because he happens to hold an office. But I suggest to him, Mr. Speaker, through you that when he is cornered he should not continually refer to my past service in this House, which is applauded by the Honourable Minister of Health with great glee.

A MEMBER: Honourable service of what?

MR. BILTON: My honourable service of what, Mr. Premier? I get a little uptight, Mr. Speaker, which may some day be your problem sitting down in this House, and I don't think it's becoming of any member to make reference or make comments in endeavouring to degradate what I have contributed to this Chamber during the last 15 years, and three years, Sir, in your Chair. I don't appreciate it, and I don't think the people of Manitoba appreciate it. Because if I do, Mr. Speaker, get a little impudent at times, it's not with any thought of breaking the rules or offending my friend who is the Deputy Speaker. He has a responsibility but, Sir, from time to time on the most insignificant occasions he has taken the opportunity of speaking of my past services and

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(MR. BILTON cont'd)that it is unbecoming of my behaviour on that particular occasion. On my behaviour, Mr. Speaker, in this House I take second seat to no one. I know my place and I keep it regardless of his opinion.

Now to get to the matter at hand and that is Bill 56. I think, Mr. Speaker, we've had a tremendous debate in this House this afternoon on both sides of the House. It's been invigorating and enlightening to me, both of whom were impassioned speeches. As the Honourable Member for Lakeside said, it was a little gutsy with some of us. And that's exactly the way it is, Sir. I am grateful to the First Minister and I am grateful to the government for making this a free vote. It gives us an advantage of expressing our opinions. And those opinions, as I thought the Honourable Member for Lakeside pointed out today, were the opinions of people that elected him to the House. Mr. Speaker, I represent a very diverse group of people, Russians, Ukrainians, Anglo-Saxons, Irish, German, and in recent years, Mr. Speaker, a good many Chinese people. And you know even 310 miles away, they are cognizant of this bill. And I'm not going to relate what the Honourable Member for Lakeside said so eloquently this afternoon because, Sir, those are my feelings. Those people elected me here as their voice and I intend to express it in this bill.

I thought the Honourable Member for Morris made an excellent contribution this afternoon, and he made a suggestion. And he suggested an amendment, and that was to the effect that as and when this exhibit had come and left this province, this bill would die. And I ask you, Mr. Speaker, why didn't this government seriously think of that? Why didn't they put this in the bill in the first place? Because like everything else, Sir, they want carte blanche authority to do what they want to do when they want to do it, and how they want to do it. That's what this bill is all about.

The Honourable Member for St. Matthews this afternoon brings his daughter into it, we're denying his daughter. You know he prides himself of being the trouble-shooter for that party in the back bench. It was a farce this afternoon. What he had to say this afternoon was an absolute farce. How he could get up and talk the way he talked this afternoon is beyond my comprehension. He obviously didn't read this bill with the serious thought that he's capable of giving, or he would have suggested the amendment to his caucus that the Honourable Member for Morris was talking about this afternoon. I say to him, this is the same kind of bill that the people of Manitoba got with Autopac and we fought this government to a standstill. Day in and day out the people of Manitoba came here and told you. You denied the people of Manitoba the right to go and buy their auto insurance wherever they wanted to go, and this is part of the same . . .Will you never learn a lesson and stop?

MR. SPEAKER: Order.

MR. BILTON: On a matter such as this you are continuing your attitude and ideology. Mr. Premier, when are you going to grow up? When are you going to grow up and stop this?

MR. SPEAKER: Order please. The Honourable First Minister.

MR. SCHREYER: Yes. Mr. Speaker, the Honourable the Member for Swan River, a former Speaker of this House, custodian of our rules, addresses me in the second person, that's out of order.

MR. SPEAKER: Order, please. The point is well taken and I would suggest that honourable members do not address themselves personally to other members of the House. It is not a proper procedure. The Honourable Member for Swan River.

MR. BILTON: Mr. Speaker, the First Minister is absolutely correct. He didn't give me any credit that I was getting upset and excited on the point, and I did overlook and I ask to withdraw the feelings, if I may have offended the First Minister, that's the last thing in the world I want to do, and he knows that. But some of that gang around him, Mr. Speaker, I have no compunction, I'll offend them any time I feel like it.

However, Mr. Speaker, I haven't a great deal to say. As I said earlier, everything was said between the two honourable gentlemen, the Honourable the Minister of Mines and Resources and the Honourable Member for Lakeside. --(Interjection)--

MR. SPEAKER: Order please.

MR. BILTON: And, Sir, I want to advise . . .

MR. SPEAKER: Order please. I'm going to suggest to some honourable members who can't stand the heat in the kitchen to get out. Thank you. The Honourable Member for Swan River.

MR. BILTON: Mr. Speaker, before I conclude my remarks, England has been mentioned several times this afternoon and I would be remiss if I didn't comment on that. England is full of treasures, Mr. Speaker, from all over the world, and you know when these were being gathered together, Mr. Speaker, there was more peace throughout the world, there was more contentment, and the people came to the fount, they came to the fountain of greatness to Westminster for guidance, and diplomacy counted in those days, Mr. Speaker, and we kept peace throughout the world. So why would you deny England those few treasures from here and there throughout the world, and by the millions, Mr. Speaker, they're going from all over the world to enjoy those treasurers. They may not be available today had not England taken over and borrowed them for a little while.

And mention was made of the jewels. Let's keep it understood, Mr. Speaker, that it's just a few pearls and a few diamonds that's in the Royal Crown, and if India wants them they can have them back tomorrow. But the interesting thing is you know, Mr. Speaker, when the Queen goes throughout the Commonwealth she takes her Crown with her, she takes those jewels and she goes to India and she opens their Parliament, as she opens our Parliament, as she opens the Australian Parliament, as she opens parliaments throughout the Commonwealth, she takes her jewels with her. Has she ever been challenged? No, Mr. Speaker, and it will be a sorry day if it ever happens, because as I have said so many times before it's not the lady that wears the Crown or the gentleman that wears the Crown, it's the Crown that's symbolic of our unity and let nothing happen to disturb that unity, and nobody must demand those jewels back again, not even India. With that, Mr. Speaker, I rise, and I am going to follow the wishes of the people that I represent that came from the land where those treasurers are coming from and I intend to vote against this bill.

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

MR. D. JAMES WALDING (St. Vital): Mr. Speaker, one of the gang about the Premier has been provoked to stand up and say a few words. Mr. Speaker, like the last member I intend to be brief. I believe there have been a lot of irrelevancies dragged into the debate, a lot of harsh words and very hot words too, that really have nothing to do with what is a very simple principle involved in this case.

I would like to try to strip away some of these irrelevancies kept down to what is the basis of it, and I believe that the Member for Sturgeon Creek put the matter probably as simply as it has been.

Mr. Speaker, I believe there's no dispute between any of the members in the House as to the value of this art collection that's being brought into Manitoba, value both from a financial basis and from a cultural basis too. I believe there's also no dispute as to the fact that a great number of Manitobans will wish to go to see such an exhibition if it is put on. I believe there is also no dispute about the fact that Winnipeg is the only city in Canada that's being offered this exhibition. I believe also there is no dispute that the only way this exhibition will be brought to Winnipeg is if this bill is passed, I believe that we have agreement between all members on that point.

The Honourable Member for Lakeside has stated this afternoon that he felt that even if this bill was not in force and the exhibition were to come here that there would likely not be any law suits involved, and he felt also that the Courts would be lenient enough not to uphold such charges in any event. But whether there would be one charge or 100, or none at all, the bill is frankly necessary if we are to give this opportunity to so many Manitobans to view the exhibition. So what we are then offering to many Manitobans is a freedom to view this exhibit that is presently enjoyed by only those few Manitobans who could afford to go to Leningrad to see it in its natural setting. I believe this point was brought out adequately this afternoon by the Minister.

There is another point involved here too, Mr. Speaker, and that is that members of this House do not sit in judgment as to what films Manitobans can see, they do

(MR. WALDING cont'd)not sit in judgment as to what books Manitobans can read, nor what music they can listen to, but what this bill is saying, or those who opposed the bill are saying, is that they are prepared to sit in judgment as to what pictures Manitobans can see. So on the one hand we have the opportunity for so many Manitobans to see this collection, and in allowing them to do so the members of this House would be extending a freedom to the many that is presently enjoyed only by the few. And also they would be refusing to censor the viewing habits of Manitobans, yet there is a price involved in this, and the Member for Sturgeon Creek put that to us this evening when he said that in order to do so we must suspend one of the democratic rights presently enjoyed by Manitobans. And it would not be abolishing a right that they hold now, it would not be taking away any right retroactively, all that would be involved would be a suspension of those rights for a matter of six weeks.

So for those members who might still be in some doubt as to how to make a choice on this issue the matter is simply clear: do they wish to extend the opportunity for many Manitobans to see a priceless and a once-in-a-lifetime exhibition at the cost of suspending one of those basic rights for a matter of six weeks, a right which would then be restored to them to make whatever legal claim they wish to, wherever they wish to make it.

The issue is clear to me, Mr. Speaker, I do not intend to censor the views of my constituents, nor do I wish to stand in the way of many thousands of Manitobans to see this priceless collection, and I intend to support the bill too.

MR. SPEAKER: The Honourable Member for Wolseley.

MR. ROBERT G. WILSON (Wolseley): Thank you, Mr. Speaker. I can't help but wonder how a bill not even one page long could cause so much of a problem, and I probably think it's a chance to unwind in the middle of everything, but I can't get too excited about the bill. I have to look at it in sort of facts as they are today, and I keep asking myself, what good will it do, and then on the other hand ask, what harm will it do? And for my area, which is the Wolseley-Midland area, which contains the gallery and which is within walking distance, I think that I basically would want to be one that would ask a couple of questions. I find it very strange that members opposite, the NDP are supporting for the first time in history the Art Gallery. It really shakes my feet when I think of a few members on that side that contain a little bit of cultural background and appreciation, but a lot of them, I have found in my short time here, have sort of the same type of, sort of working man's champagne background that I come from, but who again through education can get to appreciate the finer things in life. But I can't help but feel a great deal of sadness that this government could have supported the Art Gallery and we would have very fine collections which have been taken away from us. I think of the MacAulay collection which this government refused to give any tax concessions and is now being shown to all the citizens of Alberta. So besides all their oil wells they now have one of the finest collections that should have been here in Manitoba.

I think of my plea to the Minister of Tourism when I asked him to save a little bit of Canadiana out at Lockport and to make some money. They didn't want to make any money. They had the Dunlop Museum with its Canadiana destroyed. And these are the thing that bother me. --(Interjection)-- The Member from St. John's says it's junk. Well for those of us in an economic position where we can't afford a Rembrandt or a Van Gogh, who have to settle for something that's a little closer to us, like a rusty plough, or something that has a picture of a football team from 1907, or a Lacrosse team from the turn of a century, that's where we went to see them. If we wanted to see an army uniform from the First World War or one from the Second World War, that's where we went. --(Interjection)--

MR. SPEAKER: Order please.

MR. WILSON: I also find it strange that a government finally has, and I'd like to, as they say, I'm going to check out, when the vote is called, I just want to see how many of those people opposite duck out. Because, you know, it's very important to me, because I'm standing up against some of my colleagues and some possibly, some members opposite, and I'm supporting the bill, because I think that basically - and it's of no favour

(MR. WILSON cont'd) . . . to you fellows, let me tell you, because I haven't finished with you yet.

MR. SPEAKER: Order please.

MR. WILSON: Because some of you are speaking from two sides of your mouth because you have liberalized all the pornography laws in this province, and it's too bad the Member for Point Douglas is not sitting in his chair, because I think he'll go down to defeat, because while he pours tea, he hasn't stopped pornography, and the Main Street strip is still there. And I can't understand why somebody on that side of the House has not done something. Why today I went to my office, and lo and behold a couple of doors away there's a new sign being taken down, Sherbrook Realities coming down and in its place is Fantasy Studios. And that concerns me. That concerns me. Because the government opposite hasn't done anything and they're liberalizing all our pornography laws, and I think it's an absolute shame that they don't do anything about it. So I find it strange that on one hand we have them supporting the Art Gallery, in their efforts, in their quest to have a fund raising showing, and to get people who may have not been there before to see the lovely gallery, and to see the work a fine group of volunteers can do. And I hope that gallery does stay in the private sector, because I know, and I had the feeling when I was on City Council, that somehow or other the members opposite wanted to through means of grants and what have you, to - well they were going to have the Art Gallery autonomous, were going to have control over it, were going to actually be able to say it's a part of our assets on the balance sheet. I often think of the middle income and some of the speeches that are made, you know, we don't have any more money in our pockets, we seem to just have hope in our brains that something is going to happen, and happen in a positive way.

I think this bill is really low priority, but again so many people have unwound, and I just wanted to use this opportunity to think of what kind of a city I want to live in. And it seems to me that while I'm not a constant attender of many of the cultural functions I am indeed a supporter of it because I think the type of city you'd want to live in contains many of these structures that people can enjoy. One of the reasons many of the senior citizens live in my area is because they can, without too much expense, enjoy the cultural amenities of the downtown area. --(Interjection)-- Well, I think one has to ask - well that's an amenity as well to those of us that can get out once in awhile. I do think that art is long and life is short and I think if we have a chance to see a fine exhibition such as this, I think that we shouldn't stand in the way. I'm not too excited about reliving two World Wars. The only part about the two World Wars that I'm concerned about is that they did sort of fight for a freedom to work and an area to live in that was sort of safe, and sort of a freedom of choice. And I think it's based on that freedom that I'm possibly here today because I think if somehow or other we could convince members opposite to slow down or possibly even to go as far as to make the statement that maybe I'll live long enough to see the province return to province and not state ownership, then I would think that's a concept worth looking at.

But getting back to the bill, I'll close and I say I will support it, and many of the things the Minister of Public Works has said made a lot of sense, and I think that based on the facts as they are today, the financial problems that the gallery has, the lack of use that the gallery has, this might be a chance to get more people because I know until many of the people, until we had our Centennial celebrations at - it was called Midland at the Gallery - until we had that function there, many people had lived next door literally next door to the gallery and had never taken the time to walk through the front doors. And I think if we can get people to walk through the front doors they'll come again when they're shopping at the Bay, and go across and have a cup of tea and be made aware of some of the things that are going on there. I, as I say, am personally speaking for myself. I now go there every chance I get, mainly because of the relaxation. There's something about it that's relaxing and yet it's so close to all the activity of the commercial hub of our city. So based on the today of the situation, I'm not going to get too excited about past rights and what have you, and I'm going to support the bill.

MR. SPEAKER: The Honourable Member for Fort Garry.

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MR. SHERMAN: Mr. Speaker, because this particular debate, on this particular bill, seems to me to have taken on something of the cast of the Plains of Abraham of the Thirtieth Legislative Session of Manitoba, I must confess, Sir, that I would not like to see the debate passed without in my own conscience having registered one or two of my thoughts and one or two of my comments in the debate for the record.

I am therefore prompted to enter the debate at this stage to simply re-emphasize one or two aspects of the question at issue which has been of most and deepest consideration and concern to me, and to some of my colleagues as expressed earlier. I would admit from the outset that I'm torn as I go into this debate because I recognize the sincere and deep-felt positions held by many members of my own caucus, on both sides of the question. There is some substantial and very sincere division of opinion on the question and members of the Progressive Conservative caucus in particular, I think you would agree, Sir, have given words and evidence to that effect. I therefore enter it with some misgivings because I suppose if one is here in a Chamber and in a debate of this kind for any length of time, one suffers the endemic affliction of politics, and that is being able to see and appreciate both sides of the question. And I certainly can see both sides of the question, particularly as expressed in the sincere utterances of members who have participated in this debate, and I say specifically, Sir, by members on this side. Because it's only on this side of the House that there appears to be a free vote taking place. I very much question the concept of the free vote as it is held and subscribed to on the government side of the House. We are told that the Whips are off, and yet we have no less a personage than the Deputy Speaker of this House, the Honourable Member for Logan, berating us on this side of this Chamber for what he calls "clap trap" and for participating from a point of sincerity, I can assure him, on a question that exercises many of the members on this side of the House very deeply.

I don't mean to be avoiding the microphone, Mr. Speaker, but I did want to just direct that remark to my friend the Honourable the First Minister, because I think it's a point that should be made, that we have come into this debate on the assurances of the House Leader that we're entering a free vote debating situation. We haven't found that kind of evidence emanating from the government side. It seems to us that the government benches, the government members are lining up literally in lock-step to take the same position and vote the same way right down the line; and in fact if they can't take that position, I'd be prepared to guess at this point, Sir, and I am a betting man - I'd be prepared to bet at this time, Sir, there'll be some timely absentees from the vote when it is called, if they have not been able on that side to come to a collective and united position on it. The members on this side, I can assure you, Sir, the members on these benches will be divided and split in our usual independent and aggressive fashion on a question of this kind, and I'm sure that you'll find that it will be a free vote in every sense of the word here. So I do want to make that point, Sir, that we are somewhat dismayed that our colleagues across the way don't seem to be entering the climate of debate in the free vote atmosphere that we thought would take place. What has happened is that the Progressive Conservative legislators of Manitoba are debating this issue openly and freely and they are being asked to make the decision for a government that did not have the intestinal fortitude to move on a bill that they wanted to be passed. That's really what's happened, Sir. The government would like to see - and I don't fault them for this. . .

MR. SPEAKER: Order please. Order.

MR. SHERMAN: The government would like to see, and I don't fault them for this, Sir, they would like to see this bill passed. I don't fault them for that, that's their right. But rather than having the courage to bring in a bill and say we're going to grant diplomatic and cultural and legal immunity to foreign objects coming into this province for a certain period of time regardless of the suspension of human rights and the trampling of individual rights involved, and we're going to introduce that bill in the Legislature, and we're going to put it forward as a piece of our legislation, they have said in a milquetoast way, well, we'll bring it in and we'll call for a free vote and we'll let the Conservatives do what they always do, stand up and speak independently and probably

(MR. SHERMAN cont'd) disagree somewhat among themselves and we'll let them fight the issue out. But when the vote comes, by golly, Sir, you're going to see that 30 or 31 member caucus over there, to a man, vote right down the line for this legislation; or, you're going to see those doors swinging like a pool hall, that's what you're going to see.

MR. SPEAKER: Order please.

MR. SHERMAN: So that's where we're at at this point, Mr. Speaker, as far as the debate goes. Now I'd like to return to the free aspect of the debate and say that, as I began, I am torn because of the opinions expressed and sincerely held by many members on this side, particularly those advanced by my leader in the House, the Honourable Member for Riel, and his erstwhile companion in legislative crime - and I use the word lightly in terms of debate - the Honourable Member for Lakeside. There were two views that are strongly and sincerely held and are diametrically opposite, and they come from two of the strongest members, two persons who would be acknowledged even by members opposite as two of the strongest members of this House, and one therefore, Sir, cannot fail to be somewhat disturbed and somewhat dismayed by that kind of difference of opinion. It's difficult to come down on one side of the other when arguments of that kind are put forward with that kind of strength and documentation and sincerity.

But I have to say, Sir, that although I recognize that what is at stake for the Winnipeg Art Gallery is a shot in the arm, is support that that institution sorely and dearly needs. I have to say, Sir, that I cannot put myself in a position of supporting the suspension of individual liberties just to achieve that end. I want to see the Art Gallery helped and supported. I think there are many ways that legislators in this Chamber could be helping and supporting it. I think there are many ways that this government and this opposition could be helping and supporting it. I don't think that it is worth the cost for us to close our eyes to a "temporary" suspension of particular rights or liberties in order to effect that kind of pragmatic end. That, Sir, is pragmatism carried to a very dangerous degree. I'm more of an idealist unfortunately, or fortunately, than that. I'm not prepared to be that pragmatic. I am prepared to say that if the First Minister and his colleagues want to bring in a bill offering some kind of support for the Winnipeg Art Gallery, even if it be direct financial support, I would be prepared to support cuts in the Budget in other areas in order to see that that institution gets that kind of support. But I am not prepared to see liberties and rights sacrificed and trampled, either to help the Winnipeg Art Gallery, or to help the community club to which I belong, or the church, or even a political party to which I belong, and I'm sure that that kind of remark is beyond the comprehension of my honourable friend the Minister of Health and Social Development, because he would have to decide first of all, Sir, which political party it is to which he belongs. I don't have to make that decision.

So, Sir, let us help the Winnipeg Art Gallery, let us bring in the Hermitage Exhibit, let it come, but don't ask us to suspend rights and freedoms in order to let it come. You know, the Minister of Mines and Resources who made an eloquent speech this afternoon makes many eloquent contributions in this Chamber, and I feel in the few years that I've been here I've learned something - perhaps it doesn't show - but I've tried to learn something by listening to him. And he said this afternoon that in his view this whole question was a question of trust. Trust was the word he used, Mr. Speaker. Well I ask the honourable members opposite, through you, Sir, why don't the Russians trust me? What have I ever done to make the Russians mistrust or distrust me? --(Interjection)-- No, but why, Sir, should the equation be an imbalanced equation? You know trust is a mutually supported thing, and trust cuts both ways; and trust inspires trust, or else it doesn't last for very long. And if the Soviet Union feels that they cannot trust me and you, Sir, and my colleagues and my friends opposite, and the rest of us in the Province of Manitoba without some kind of ironclad guarantee that flies in the face of our traditions of democratic freedom, then I don't think that you can call that being very trusting. And if they don't trust me any more than that, if they don't trust me that they will get those exhibits and those displays back - and I'm sure they will, because as the Minister of Mines said, as my colleague from Lakeside said, as many

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(MR. SHERMAN cont'd) members in this House in this debate have said, there ain't going to be no claim, there ain't going to be no action, they're going to get it all back - but if they don't trust us enough to feel that out of the tiny province and community of Manitoba, somewhere in the hinterlands of the northern part of North American, that they can trust the people there sufficiently - the people, the people, we're talking about; we're not talking about the government or the opposition, or the institutions, we're talking about the people. The Minister of Mines and his colleagues are great ones to support the idea and the concept and all philosophy built around the people, and they tell us the people of the Soviet Union are people just like us - and I believe that - and if that's the case, then the people of the Soviet Union surely must have some distress with their own government if they know that their own government is so untrusting of the people in Canada, who are so like them, the people of the Soviet Union - and I believe that that analysis holds, to quote the Minister of Mines - then I say, Sir, that that government is certainly doing a disservice to the people of the Soviet Union. Because they are showing an abject and pretty deplorable, and I think - if I may use the term - a rather insulting mistrust of us here in Manitoba if they insist that to bring that kind of exhibit in here they've got to have everything signed, sealed and delivered and our democratic rights ignored and suspended. So I ask the Minister of Mines, if he wants trust and if he thinks this whole issue turns on trust, to let's have a little mutual trust across the ocean, a little bit of hands across the ocean, if he wants that kind of response from us. I'm prepared to give it, but I'd like to see some give and take and I would like to see a gesture. . . I see no reason --(Interjection)-- I'm prepared to give them --(Interjection)-- Well the First Minister asked me what I'm prepared to give.

MR. SPEAKER: Order please.

MR. SHERMAN: I'm only prepared to give the First Minister one answer - and this is all I could give the First Minister in any situation - I'd give the First Minister my word as a citizen of the Province of Manitoba and as an elected representative of the Province of Manitoba, that if there was any attempt made to unfairly intrude upon the ownership and the passage of those articles that were coming into here, that I would stand with the First Minister and everybody else in this province to ensure that that action had a fair legal hearing and a fair legal examination under the jurisprudence of this jurisdiction. That's all I can give them, that's all I can promise them. --(Interjection)-- If that isn't good enough, they don't trust me very much.

So, Mr. Speaker, let me repeat, that we are not opposed to the exhibit. We'd like to see it come here. We know it would be good for the Art Gallery; we know it would be good for the people of Manitoba; we know it would be good, not only for the children of Manitoba to whom the Member for St. Matthews referred, but for all people of Manitoba. But we don't want to do it at the expense. . . We say why can't it come in anyway, why can't they trust us as good citizens and good people - as their people are, as described by the Minister of Mines, and to which I subscribe - why can't they trust us to send the exhibit in here and rest assured that there will be no untoward actions that will deprive them of any part of it. I think the Minister of Mines himself in his own remarks agreed that that whole question is really academic. Nobody in this House expects that there is going to be any claim or any action, and I think that --(Interjection)-- Yes, it's academic. --(Interjection)-- No, I think it's not sufficient to ask us to waive individual rights, suspend them for even how briefly, and I believe also that there is a danger in those so-called brief suspensions. And as the Member for Sturgeon Creek attempted to point out, this legislation doesn't simply apply to this art gallery and this exhibit, how long are we going to be stuck with this kind of legislation, Mr. Speaker? The First Minister has said he would agree to a self-destruct amendment - I hope I'm not misinterpreting him, I gathered that he implied that he would certainly be interested in --(Interjection)-- Well I would like to hope that if we can't stop the bill in its present form at this stage, that there will be support from the First Minister and others for that kind of an amendment, because it certainly would be our intention to bring that kind of amendment in, if the bill reaches that stage. Because there is too much inherent danger, Sir, and too much immeasurable danger in these suspensions of liberties and rights for pragmatic ends. No one knows how long

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(MR. SHERMAN cont'd). . . . they're going to be on the books unless it is clearly spelled out that it is to destroy itself and disappear from the books within a specific and limited and known period of time.

Mr. Speaker, just before I reach the conclusion of my remarks, which I'm swiftly approaching, Sir, let me just refer to a couple of things that the Member for St. Vital suggested. The Member for St. Vital suggested that this House is sitting in judgment. He suggested as much by saying that we're not asked to sit in judgment about movies or about books or about other cultural materials that come before our community. But we're not sitting in judgment on the culture involved, we're not sitting in judgment on the Soviet Union or the Soviet people, we're not sitting in judgment on any of the art works involved, we're not sitting in judgment on the exhibit and its purpose and meaning to the Winnipeg Art Gallery. All we're asking you to do is think about the principle that you're prepared to sacrifice in order to accommodate the request of a government which apparently doesn't trust us, and also the request that comes from the Minister of External Affairs, the Honourable Allan MacEachen in Ottawa, whom I suggest should have perhaps had more backbone and more integrity than to surrender to that kind of a request. He should have had more faith in the integrity and the honesty of the people of Manitoba himself to accede to that kind of a request. He simply should have assured the Soviet Union that under our system of rights we could not in good conscience, in good heart, take the kind of steps that was asked for, he would give his pledge. And I suggest that if there is really a spirit of co-operation and there is really a spirit of detente and there is really a spirit of peace-seeking between our government and their government, that that kind of pledge is valuable and should be respected.

A MEMBER: Why didn't they do that in the United States?

MR. SHERMAN: The United States? I'm not concerned with what the United States is doing. The First Minister reminds me that I promised to conclude, and I'm just about at that point, Mr. Speaker. I just want to say to the Honourable Member for St. Johns that what the United States has done in this particular situation is of no concern to me. Their decision as to what kind of accommodations they have to make to meet and fulfill and profit and benefit from cultural exchanges, is their decision. What we're talking about here is a mutual understanding and respect between two peoples, the peoples who own that art exhibit at the present time and the peoples who are going to be given the opportunity to view it without threat or danger of stealing any part of it, or attempting to win away by various means and methods any part of that exhibit.

So, Sir, let me just say in conclusion, that there were many references made in remarks that went earlier in the debate to antecedents and to historical origins, and I cannot lay claim, as the Minister of Mines can and the Honourable Member for Lakeside can, to origins in what is today Russia, to historical origins that included persecution of my family by one or another of the governments, of successive governments of Russia. But what I can say, Sir, is, since we've got onto this subject, that my ancestors came to this continent in 1642 from England and went to Connecticut and settled there because they believed in the kinds of freedoms that were being conceptualized and then realized under the New World and the democratic system being constructed here. So in concert with my colleagues, Sir, and I use the term "concert" loosely, I want to evoke the immortal lines of the Battle Hymn of the Republic and close on this note, Sir, that "Midst the beauty of the lillies, Christ was born across the sea, with a glory in his bosom that transfigures you and me; as He died to make men holy, let us live to make man free, his truth goes marching on."

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

MR. SAUL CHERNIACK, Q.C. (St. Johns): Mr. Speaker, I wonder if the honourable member would permit two questions. The first question, Mr. Speaker, I'd like to know just how the honourable member would expect Mr. MacEachen to be able to stand behind and guarantee the kind of pledge he describes in the face of an individual in Manitoba starting an action in the Court of Queen's Bench with a replevin action attached to it which would actually seize an object of art until the trial takes place over a matter of months. Now how would Mr. MacEachen honour that pledge that he suggests he ought to give?

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MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: I can't assure the honourable member of any specific methods in which the External Affairs Minister could guarantee to honour that pledge. All I can say is that he could make that pledge in the name of the people of Manitoba - it would be an offer, it would be a gesture, and it would be up to the Soviet Union, their representatives to trust . . .

MR. PAWLEY: It's hollow and empty.

MR. SHERMAN: The Attorney-General is interjecting from his seat that this is hollow and empty. I say to him this is no more hollow and empty than for his colleagues to insist that this right of action has always existed. How is anybody with that kind of claim that the Member for St. Johns refers to ever going to obtain rightful access to that exhibit or any part of it after it goes back to the Soviet Union? That is simply a hollow and simplistic and superficial argument. . .

MR. SPEAKER: Order please. Order.

MR. SHERMAN: No, but that is what the Attorney-General's colleagues have said. I say in response to the Attorney-General, and I'm saying to him and to the Member for St. Johns that we, the people of Manitoba, through their elected representatives can assure the Minister of External Affairs that we would like to have that exhibit here and he can make them that assurance on our word. I agree it's not guaranteed in writing, but I say we want the exhibit, but we don't want to suspend our freedoms, and he would have to make that point to them.

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

MR. CHERNIACK: . . . question that the member agreed to permit. What was the position which he took, and I believe he took one, on the question of giving special kind of status to a swimmer who wanted to compete for Canada in the Olympics? I believe it involved special immigration or citizenship rights. Did he take a position on that?

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: I didn't take a position on it, but I say this, that the Olympics are governed by their own rules, and the rules that apply to the Olympics in the Commonwealth specifically state that there can be interchange of that kind on a residence basis.

MR. CHERNIACK: I'm not talking about Manitoba . . .

MR. SPEAKER: Order please.

MR. SHERMAN: Well, we're not talking about suspension of your rights or my rights, we're talking about -- (Interjection) -- well we're talking about somebody who wants to compete here and who wants to live here, we're not talking about suspending any rights.

MR. CHERNIACK: You'd give him special rights.

MR. SHERMAN: But in direct answer to the Member for St. Johns, I didn't take a position on it, I didn't participate in that.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, to use a colloquial expression, "I'm fit to be tied," because when this bill was first brought forward I suggested at that time that it would almost, as sure as night follows day, evoke precisely the kind of reaction that we have seen here this afternoon and this evening. And I don't particularly fault anyone that's spoken so far, except perhaps the Honourable Member for Wolseley, for entirely different reasons. In his case it's because he has no respect for the truth, but that is a little ironic because he apparently is supporting this bill. What I have to say in his regard has nothing to do really with the substance of the bill, but since he was allowed to make reference to the funding of the Art Gallery, which is indirectly involved here, then I think I should be given the opportunity to put the facts straight as to what the level of funding for the Art Gallery has been this year, last year, five years ago, ten, fifteen, etc. There's no use letting a member in this House, even if he is a rookie, get up and have such complete contempt for the facts as he does, and get away with it.

But to get back to the immediate subject matter of Bill 56, it was entirely predictable in my mind, that given a bill that has the rather esoteric title, Foreign Cultural Objects Immunity from Seizure Act, how could you expect that they would come

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(MR. SCHREYER cont'd)out of the woodwork to speak on it, against it in particular? There is a very tempting political target here because there would certainly seem to be, from a superficial analysis, some setting aside of due process and the rule of law, and as such it is a tempting target.

Honourable members spoke earlier this afternoon, took us way back to the Czarist regime, the interim regime of Alexander Kerensky, the six or seven months that it lasted, and the Communist regime that gained power by revolution in late 1917. We covered the waterfront in terms of what constitutes legitimacy for government, whether one or another government elsewhere on this planet governed with the consent of the governed and therefore have legitimacy, or whether they don't, etc., etc.

Honourable members live in the Year of Our Lord 1976, and whether they want to have a pristine pure view of our relationships with other countries, some of them far less democratic than ours, the fact of the matter is they cannot have a pristine pure view, because even those who seem to be the most excited as to what is proposed here seem to have been quite content to support increased commercial intercourse with those countries, including the Soviet Union in particular, and, Mr. Speaker, this is all part of a continuum, a matter of degree.

If some other country is under a regime that is so contemptible, then it would seem to me that one should not be content with one's own country if it even recognizes that regime, much less trades with it to the extent of hundreds of millions of dollars per annum - if they don't complain about that, how can they become pristine pure with respect to a subject matter such as this? And indeed the pragmatists in the United States, in Congress, must have held that kind of reasoning, and that reasoning does stand up, Mr. Speaker, I suggest. But according to the Member for Lakeside, the Member for Swan River and others who have spoken, it would seem as though rights of individuals, all of the fundamental freedoms of people living under the Constitution of the United States died on the 19th of October 1965 because - 11 years ago - they passed an Act to render immune from seizure, under judicial process objects of cultural significance imported for temporary display or exhibition and for other purposes.

So there we have it, they have succeeded in arguing themselves into a conundrum. But now in order for them to be consistent they have to say that freedom and rights of individuals shine more brightly in Canada in the last 11 years than in the U.S., but all those people who have a passion for freedom and democracy are celebrating their Bicentennial in the United States and I don't think that they feel that they have some lesser quality of freedom or democracy than we in what used to be British North America or Canada. It all becomes a kind of silly, stupid xenophobia, a self-centred egotism, where we think we are better than our closest neighbours and far better than others across the sea. That is part of what they have succeeded in arguing themselves into. One need not be overjoyed with the contents of Bill 56, but one thing certainly is clear, that for all practical purposes freedom and democracy in the United States, in all of its general application, is at least as tangible and concrete under their laws as it is under ours - or are we now going to set ourselves as to be a paragon of virtue insofar as democratic rights and freedoms, fundamental civil rights are concerned, equalled by no other place in the world? Presumably there is that kind of egotism that would argue that. But that is merely a part of what is at issue here, Mr. Speaker.

I am particularly annoyed, because all of this was so predictable. I knew, that given the subject matter, that those who are of a sort of a more fanciful and mischievous nature would not be able to resist the temptation to roust up a little bit of fun with respect to the sort of superficial political issues here. I want to make it very clear, Mr. Speaker, that I couldn't care less if this bill passes or doesn't pass. If you don't believe it, vote against it, and if sufficient colleagues of mine vote against it, it will not pass. That is not going to bother me, Sir, and I say that very crassly and very bluntly.

We are assembled here, in my view - and I'm entitled to my personal opinion - to deal with literally hundreds if not thousands of matters having to do with health, education, social development, northern development, support for cow-calf operations at a time of inadequate price, with occupational health and safety, and a thousand other things that have to do with, as the prayer says each day, "the welfare and prosperity of the

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(MR. SCHREYER cont'd) people of this province". And whether or not there is an exhibition of foreign art, whether it be from the Hermitage in Leningrad or from Santiago, Chile, or any other place on God's earth, is not something which has to do with the terms of reference of this Legislature. And as such it is not something which looms large, I can assure you, in terms of the priorities of this government. Somebody over there said it's a matter of low priority. I would say that that certainly is an understatement. If the Minister of Finance in Ontario says that patriation of the Constitution, if there were 86 things on his agenda it would be 85th, I say if there were 86 things on our agenda, this is 86th, in fact I would think that it's even less than that.

Now, how did this get here? It got here . . .

A MEMBER: It's 56.

MR. SCHREYER: Well it should have been 86. It got here because of a prior understanding entered into by Canada and the USSR, I think, although I'm not certain, at the time of the Kosygin visit to Ottawa in 1971 or 1972, at which time Canada and the USSR signed certain protocols of commercial and cultural exchange. And pursuant to those protocols certain exhibitions and exchanges were to take place from time to time, and this is but one of them. When it was worked out - and I'm sure they had many people, I can just see the number of civil servants that were working on it in Moscow or Leningrad and Ottawa, etc. - they came to a point where it had to be formalized. And according to the nature of our British North America Act, matters of property, civil rights, property right claims, are provincial in jurisdiction, and therefore in order for effect to be given to a Federal Government of Canada undertaking with the USSR it requires the ratification if you like, or much the same as the ratification process, of any given provincial Legislature. And that's why it's here. If the Honourable Allan MacEachen, it seems to me, if he had perhaps started on this earlier and attempted to give this diplomatic immunity in the same way as other activities of foreign embassies are given immunity in our country, although I'm no lawyer, Sir, it seems to me that it may have been possible to have avoided any provincial legislation in the matter. But if that process is not started in time, then the only other alternative - and perhaps it is the more concrete one in any case - is to pass legislation of this kind. It certainly is not legislation which sets a precedent. Some honourable members opposite would like to leave the impression that this legislation sets precedent for the entire English speaking world, we use almost Churchillian phrases in describing the dangers of this legislation. Well, in every politician there is a frustrated orator, Sir, and I admit this bill is one of the few occasions when it is possible to orate with very few restrictions in terms of subject matter. One can cover the entire gamut of human history from the days of the Grecian civilization on through to the time of the looting of the Egyptian treasures by the French and the British . . .

A MEMBER: The French?

MR. SCHREYER: Yes, the French, most emphatically the French. How ironic it is, Mr. Speaker, because weeks ago, Sir, I ventured to predict to certain colleagues that we would have injected into the debate reference to Kerensky, and I was not proven wrong because this afternoon he certainly was.

Mr. Speaker, I believe that the Honourable Member for Morris, the Honourable Member for Steinbach, took a different approach, although one of opposition to the bill as it's worded, but a different approach than the Honourable Member for Lakeside, in the sense that the Honourable Member for Lakeside was referring to the sort of Soviet connection of this art, these cultural objects, and some of the other honourable gentlemen who were opposing this were opposing it at least as much, if not more, because of its continued application indefinitely into the future, and as such it constituted an extension or delegation of authority from this Legislature to Cabinet that really ought not to be countenanced. If that is the concern, it is at least a rational intellectually defensible concern. And I would say it ought not to be difficult to deal with that problem by deleting or by having a provision in this bill that it terminates as of date X in the Year of Our Lord 1976. In a way I welcome it, because as I read it further, it would seem to me rather amusing as well as, in a sense, dangerous to have the Lieutenant-Governor-in-Council determine that the work or object is of cultural significance. I think there are few bodies less well

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(MR. SCHREYER cont'd) suited, Sir, to determine what is of cultural significance than a Cabinet. We are for the most part, Sir - I should only speak for myself, a cultural boor, I have no particular knowledge of or appreciation for objects of art, particularly paintings. I wouldn't know the difference between - I would probably think a "Holbein" is a cow. We have only to tell the truth, just to show how ill-suited we are, Sir, to be determining the merit of a work of cultural significance, we have only one resident expert in the person of the Minister of Public Works, and we would have to go by his advice.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: On a matter of questionable personal privilege.

MR. SPEAKER: Order please. If it's questionable, then the honourable member shouldn't ask it. The Honourable First Minister.

MR. ENNS: Mr. Speaker, then on a question of privilege. Insofar as the First Minister specifically indicated that I was among those speakers that hadn't taken note of this particular aspect of the remarks that the Minister right now is making, this transfer of cultural judging that should be left to Cabinet, I would remind the Honourable Minister that in my remarks, I made precisely those remarks, they may have been lost . . . Some of the other eloquent remarks that I did make . . .

MR. SPEAKER: The honourable member didn't have a matter of privilege. The Honourable Leader of the Opposition.

MR. CRAIK: Mr. Speaker, I didn't raise a matter of privilege, I raised a matter of order. I heard the First Minister say that the Minister of Public Works understood something about art, and I'm sure he wouldn't want that to go on the record as such.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, what I meant to say, if indeed I didn't say, is that if there was any expertise in the Cabinet in determining matters of artistic merit, if there was, it was the Minister for Public Works. And even that, I suppose, Sir, is questionable. But if I may be serious, then, Sir, again I would say that perhaps I did an injustice to the Honourable Member for Lakeside. I think on reflection he did make reference to the general standing concern in having this bill continue as statute law indefinitely into the future, that I think he would agree that his principal preoccupation really had to do with the specifics of legitimacy of the present non-democratic regime in the Soviet Union - there is no other way to describe it, why mince words - and that this regime in the Soviet Union was of such a nature and such a piece that really we could not countenance having even cultural intercourse with them, and that therefore we shouldn't have this bill, and in any case apart from that, that this bill delegating to the Cabinet the right to make these decisions was excessive. I would be repeating myself, Sir, if I were to say that indeed it is perhaps on reflection - just as well - let's hope that these cases are so rare that every time they do occur will be so rare that this Legislature can well manage to deal with it on the merits of the particular case. And if that is the compromise in terms of solving this problem, I have no problem in reason or logic in voting accordingly.

But I resent, Sir, the suggestion that there is something in this bill that is so important that it is a matter of policy confidence to this government. It came here, and I think I will excuse myself, with your permission, Sir, to repeat how it got here. It got here as a consequence of the Canada-USSR cultural commercial protocol of '72, and also on the request of six or more art galleries in Canada making application for having this exhibit shown in their respective galleries. It could not go to all so some means of selection was used and it ended up being a case of Toronto and Winnipeg. We were briefed, I shouldn't leave the impression we were all briefed, but certain of my colleagues were briefed, that this was all as I say, and that those provinces in which the art galleries were located would be asked to pass this legislation, and that there was every indication this would be done. We find that it wasn't exactly so. The Member for Fort Garry is entirely wrong if he thinks that there is some kind of subtle persuasion or pressure being exerted on colleagues to vote for this bill. In fact, in case there is any doubt, let me ask the colleagues who are here to make sure to remind each of their other colleagues that they are certainly completely free to vote as their personal inclinations are

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(MR. SCHREYER, cont'd) on this matter, as indeed I would like to think they are in all cases. It is quite silly to suggest that it is of importance to us.

I should say, too, that maybe I'm overly suspicious, but the main request for this comes from those people who are giving of their time and energy to the support of the Art Gallery. There is a mutual accommodation going on with respect to support of the Art Gallery. It is supported by the private sector, by private subscription, by the patrons of the arts, aficionados of the arts so to speak, and by the Crown. I think it's only fair to say that we appreciate the efforts of those who are patrons of the arts. I think I would be naive if I did not believe that for the most part their political persuasion is, as in the operetta Gilbert and Sullivan, that every one of them born is either a little liberal or a little conservative. And it would be the height of irony, Sir, for these people to be putting the pressure on this government to get this bill passed so that they on that side can work us over in the process. -- (Interjection) -- Well, if that isn't the kind of scenario that is afoot here, I'd like to know what is. -- (Interjection) -- Well, I'm quite prepared to live with the outcome of this bill; if it passes, fine, if it gets defeated, as far as I'm concerned personally, that's fine too. In the meantime there will be people who will wonder what kind of, sort of anti-rational, anti-reason, anti-intellectual approach we take here in this Legislature. Has it become the kind of cute infighting to see who can jockey for position on an issue that is admittedly loaded with emotional overtones? I don't need any lecture to know that in that kind of situation you can seldom win. Nevertheless one hates to be driven into anti-rational actions.

The Member for Wolseley, as cutely as you please - I'll try not to talk about him too much - as cutely as you please leaves the impression that we are starving the Art Gallery. My honourable friend ran for a political party that had responsibility for the administration in this province for eleven years. And in those eleven years the peak, the dizzy heights and peaks that they achieved with respect to support of the Art Gallery in our province and in our city was \$25,000, a miserable \$25,000. And since then the annual support for the Art Gallery from this province went from \$30,000, 39,000, 39,000, 212,000 with a 100,000 special grant; \$233,000 the next year, 233,000 the next year with another \$100,000 special grant; \$350,000 the year before last; \$385,000 this year, and \$250,000 special grant. My God, Sir, where is his head?

Mr. Speaker, he asked me where all the art has gone. I can only give him information with respect to the funding that is provided by the Crown and the right of the province. I can't answer questions as to where the art has gone. I know that one of the former directors procured art which was in the nature of 15th Century altar pieces, different peoples conception of art differs. The only point that is relevant here is that we have funded by the Crown to the Winnipeg Art Gallery an amount which in one year is equal to 14 years of accumulated grants by the previous administration. Now how ridiculous can you get, Sir. And I'm not including there, by the way, the grants that went for capital construction; nor are we including in those figures the amount that went by way of special grant for the purchase of the Twomey special highly vaunted Eskimo art collection. For anyone to suggest that we have been parsimonious with respect to the financial support of the Art Gallery, is obviously ignorant of at least the previous 15 years of history. It is, to put it bluntly, disgusting, Sir, that particular passage in the Honourable Member for Wolseley's speech is disgusting. In one year we have provided more financial support than in 14 accumulated years, prior to our coming to office. What does he want? Does he want it to be thirty times as much, or what? And if we do, then he is among those who criticizes us for increased government spending. Well I want to say that if we are going to take criticism for increased government spending, we know we have to sustain that criticism or to suffer it, we would just as soon it has to do with bread and butter issues that have to do with the working people of this province and those in less fortunate circumstance, and no matter how much we may think that it would be nice to have various paintings by Rembrandt and Holbein and Rubens, and by . . .

A MEMBER: Holstein.

MR. SCHREYER: Holstein, yes. That, Sir, most assuredly cannot be our priority. But it just goes to prove, Sir, that indeed the priorities involved in the administration of government in our time are not as simple as they're made out to be. Because

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(MR. SCHREYER cont'd) we are criticized for excessive spending. We give priority to bread and butter issues, and to the lot of those of average and lower income. And yet we know, we would be irresponsible if we did not continue to finance by increases at least as great as that of our GNP or our provincial budget as a whole. The financing of universities has to escalate. The support of our Art Gallery has increased. I know we don't have any choice. We can't go back to the good old days when the Tories were in office, when they gave the Art Gallery 25,000 bucks a year -- (Interjection) -- Yes. All of a sudden art has become of monumental importance in Manitoba. Twelve years ago it didn't seem to matter a damn, that 20,000 bucks is what they got.

MR. SPEAKER: Order please.

MR. SCHREYER: One other point, Sir, I can't let this escape. I didn't quite understand the relevance, but it was raised in the debate, and that is the absolutely snide remark made by the Member for Wolseley that this government was somehow soft on pornography. He obviously doesn't know then, he is obviously ignorant of the fact that the Attorney-General has caused charges to be laid in quite a number of cases, and we have won some and we have lost some in the courts. Now what does he want us to do, pass some kind of legislation that will predetermine in a way outside that of the courts, as to what constitutes pornography? Definition of pornography, as I understand it, comes under the Criminal Code of Canada, isn't that right? And if it's under the Federal Criminal Code, what does he want us to do, rewrite federal law? I say that by definition, the hardness or softness of our stand on pornography in Manitoba is exactly the same as it is in every other province in Canada because it is federal law interpreted by judges. So what is this nonsense about pornography? Whether it has to do with movies or whether it has to do with books in the news-stands, it is federal law interpreted by judges. So I want the Honourable Member for Wolseley to know that the almost unique habit he has in this legislature of having such complete contempt for the facts and for truth, that he cannot indulge forever in the luxury of that kind of practice, because as soon as he is no longer a rookie, he will have to stand up and account before the bar of integrity for what he does here, and so far he has a failing grade.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Thank you, Mr. Speaker. I wish to make a few points on Bill 56, The Foreign Cultural Objects Immunity from Seizure Act. The vote may be close and some may indicate that I didn't take part in the debate or skipped out of the House, and I don't want to indicate that I'll not vote on the bill. I don't believe I ever skipped any bill to this House at any time, so I wish to put my points on the record now and take part in the debate.

I believe that we should accept the fact that the world today operates in the politics of realism, and perhaps we should approach this fact from realism. Because the world is divided into three areas, Mr. Speaker, your Eastern, Western and Asia, and we have to say that we may not accept some countries' systems of government, by no means. But we still have to live in the politics of realism and what takes place in certain parts. I know that I find myself in somewhat of a difficult position to vote on this bill, but I don't think it's that difficult, because my point of view is that I see nothing wrong with the bill going into committee.

I listened to the Member for St. Vital speaking, and I accept much of what he has said. I believe that this would be certainly of great benefit to the Winnipeg Art Gallery. And it's not that I would accept something taking somebody's rights away. I have checked with some lawyers, I have checked with some other people, and I don't think this would be the case. I know the debates have been quite wide and varied in the House. We've talked from Napoleon confiscating all the arts across Europe; we heard about the Americans, and I think we have to accept the fact that ever since man has existed there has been problems, there have been wars, and so on. And I think it's time that we come to the conclusion and to the point where we have to at least show some leadership to our young people, that it's time that we forgive or forget some of the hatred and forget some of the prejudices and bigotry that existed in the world years ago. And I don't think that we would be right in continuing that kind of leadership in a negative position. That doesn't mean that I accept any form of government that exists in a country and in

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(MR. PATRICK cont'd)Russia, that's not the point.

The point that I'm trying to say is that I think what took place many years ago, and taking place now, if we don't show the leadership, and I think the young kids today are showing probably better leadership than the grown-up people. If we don't I think that man will be the cause of his own destruction, because if we look back in history, we're told that Napoleon went across and took some of the greatest arts in Europe. We know that the Americans in Massachusetts they put out all the United Empire Loyalists, they confiscated their property, and sent them back to Canada. They had to go back to the Maritimes. The family of my colleague from Portage la Prairie, his family lost all its property during that time. So this has taken place all over the world. I know the member also has spent some four years in a concentration camp as a prisoner of war. I don't think it would be right for him today to hold animosity against that country. These things have taken place in the world. So I think that this is not . . .that we can show leadership if we say, well this is the way we're going to treat . . .because what happened.

The other point I know that has been mentioned by somebody on that side of the House, that England perhaps today is in possession of some of the greatest art treasures in the world, the Greek art treasures. And this is probably true. In fact much closer to home, Mr. Speaker, you know, our own hands aren't that clean when it comes to the Japanese. What did we do? Did we not confiscate most of their properties in British Columbia and send them to the interior of Ontario and they've never got paid for their property up to date. This is what happened.

So we could continue on that . . .I didn't want to take the point of debate on that tone but this is what's happened, Mr. Speaker. So I believe that as much as I don't like the government of the country of the art that is coming here, at the same time I think that the only way that I could accept the bill - and I will be supporting the bill on second reading to go to committee, with reservations - if there is a clause, a self-destructive clause in the bill, that the bill will be finished after the art treasures, then I will support the bill on third reading. If there is no self-destructive clause in the bill, then I'm reluctant and I'm indicating right now that I would not be prepared to support the bill.

I know that there has been considerable debate in the House and everybody has had their point of view, and I accept totally everybody's personal opinion, everyone's point of view, and I don't hold it against them because everybody has a right to speak on this thing and to express himself in the way he wants to. I don't begrudge anybody and don't disregard their points of view very lightly. I take them quite seriously. But I took some time out - and I would have hoped that the Member for Sturgeon Creek would have been in, but he probably knows most of these people - I've sort of taken a poll in the St. James Y Businessmen's Club, and there were quite a few members in there, probably 15 or so, and I didn't give them any spiels or anything, that's when the news first broke in the papers, and I said, should the art treasures come to Winnipeg? I said, you know, there is great concern because there's a lot of people - you know, the pressure comes from many ethnic groups, and there's large groups in Winnipeg - but they feel the bill should not be passed in the House. It was a strange thing that everyone in that club indicated, yes we'd like to see the treasures and we want the treasures to come to Winnipeg. You know, it was a strange thing, which had some influence on me.

I also contacted some teachers in my constituency. I contacted one - in fact I contacted one today who I have the highest regard for, he's probably one of the best educators in this city, in the province, and he's had his property confiscated. He's of the same background as the Member for Lakeside. In Russia his parents lost all their property, and he indicated to me . . .well he says we can't carry grudges for what took place many years ago. He says, I would like to see the art and I think the kids should have the right to see the art and it should come to Winnipeg.

So that was just a couple of polls that I've taken, you know, amongst two groups. I know there's pressure from some areas and the position that I am taking may not be a good position, but I think it's a right position. I could not support the

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(MR. PATRICK cont'd)bill in its entirety the way it is at the present time but if it's amended in committee that it will be self-destructive after the art treasures are shown, then I see no problem in supporting the bill at the second reading. So that's the position that I would like to take, Mr. Speaker.

Again, it's something that I would like to indicate also that the other reason I think that is influencing me to some extent, is that I believe in cultural exchange. I do believe in exchange of arts, of culture, of sports, of every kind. And I think that this would be a regressive step if we said no we don't want any communications, we don't want any kind of exchange, I think it would be wrong. I think it would probably do humanity more harm in this world than good. Again I say that unless we can change some of our attitudes - I'm not talking of us in this House, I'm talking of people, people in the world - not only of greed but of the old prejudices, and so on. And if we don't, man may be the cause of his own destruction. To me I think it would be a wrong thing to do if we said no we don't want any kind of exchange of culture, of sports, of arts, of any kind. I think it has a purpose and for that reason, more than anything else, I'm convinced and inclined to support the bill into second reading, but again with the reservation that there must be a self-destructive clause. If there isn't, I know that I may have some reason not to. I know there's pressure on perhaps many members in this House from different groups, and there's pressure on me from individuals and groups and the position I'm taking. We can go back in history in many areas: We know for a fact that the negro has not been properly treated in the United States. So again, from the Member for Fort Rouge, I understand that Wales hasn't been properly treated by England, and his ancestors have some stories to tell. I'm sure that every member in this House can go back and dig deep, and I know this isn't the kind of a debate that I would have liked to get involved but that's the way the debate started out and if we wanted to debate on that line, I think that every single one of us can go and have a story to relate of what happened.

So, Mr. Speaker, because I believe so strongly in the exchange of arts and culture and sports and participation and communication between countries . . .It's not too long ago that probably China was the greatest enemy in the world and nobody wanted to accept it into the United Nations and I think, what hypocrisy. That was the worst thing we could do. You've got a third of the population of the whole world and the attitude was that it shouldn't belong or shouldn't be in the United Nations. And today, it's a strange thing that China is the greatest thing because they're in the United Nations - maybe they should have been in there much quicker and much earlier.

At the same time, Mr. Speaker, I do not deny that there's concern about liberties and freedoms and I'm one of those that believe in complete liberties and freedoms. But again, as I indicated first, the world today operates on politics of realism and we can't control what goes on in some country, but we may still have to trade, we may still have to communicate, we may still have to have cultural exchanges with these countries because that's the way the world is today.

So, Mr. Speaker, I did not intend to be too long on this bill. I wanted to put my points of view on record and so I'm supporting the bill on second reading to committee and hope that there will be an amendment to it.

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

MR. GRAHAM: Thank you, Mr. Speaker. Mr. Speaker, when it comes to the question of a bill of this nature, I think I have to apply to this bill the basic principle that I've used in many other bills that have come before the Legislature, and it involves my basic concern about the type of legislation that is being brought into this House and put on the statutes of Manitoba. I think that we have to view the legislation on the basis of whether or not the legislation will benefit more people or whether it will deny certain rights to more people than those that receive benefits from the legislation.

In that regard, Sir, you also have to take a look at the type of legislation that is there and what effect it will have on the total statutes that we have. It's my belief, Sir, that we have at the present time far too many pieces of legislation on our statutes which have been introduced for a very specific reason and remain there for considerable time after. I think that we have quite often in bringing forward legislation, have tried

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(MR. GRAHAM cont'd)to deal with a specific item and maybe dot the "t's" and cross the "i's" in our legislation rather than trying to enunciate a principle, when we develop legislation.

Now if it is going to be a principle that from henceforth and hereafter all art will forever after now be granted immunity from any type of action taken against it, whether it be local, *Canadian* or foreign, then I could debate that principle. But the First Minister in his debate said that he would welcome the opportunity to put a clause in there that would have it self-destruct after a certain period of time. And I don't think that that type of legislation, Mr. Speaker, is good legislation. If you're going to enunciate a principle that is going to be placed on the books in the Province of Manitoba for 10, 20, 30 years, and it's a principle that can be very clearly debated on that basis without specific reference to the Russian art exhibit or any other art exhibit, if it's going to be a principle, then I am willing to debate it and vote on that particular principle.

On this particular case though, Mr. Speaker, there is every indication that this is going to be just for a specific item and will be maybe on the books for many years after or may not be, because there is a possibility of an amendment being introduced which would give it a self-destruct attitude. For that reason, Mr. Speaker, I don't think that this is good legislation, I'm not making any reference to the art exhibit at all, but dealing with it purely from the point of a type of legislation that we would like to see in our statutes. And for that reason, Mr. Speaker, I am inclined to oppose this type of legislation.

MR. SPEAKER: The Honourable Member for Thompson. I recognize him but the hour being 10 o'clock, I am now adjourning the House . . . Very well, I'll put the question. The Honourable Member for Riel.

MR. CRAIK: If the members wish to adjourn then it might be possible that the House Leader might wish us to move into Capital Supply again or into Supply.

MR. SPEAKER: Does the Honourable Member for Thompson wish to speak on the subject?

MR. KEN DILLEN (Thompson): Yes I do, Mr. Speaker.

MR. SPEAKER: Would the honourable member move the adjournment.

MR. DILLEN: I move, seconded by the Member for Logan, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, I move seconded by the Honourable the Minister of Health and Social Development, that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the supply to be granted to Her Majesty.

MR. SPEAKER: I have a procedural problem, the hour is after 10, and I can only extend the hour by leave.

MR. GREEN: By leave, Mr. Speaker.

MR. SPEAKER: Do we have leave? Very well.

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

COMMITTEE OF SUPPLY - CAPITAL SUPPLY

MR. CHAIRMAN: Order please. Schedule A, Manitoba Hydro Electric Board, \$2,700,000--pass. Manitoba Telephone System, \$49,500,000--pass. The Honourable Member for Wolseley.

MR. WILSON: Under the Telephones, the thing that I wanted to raise at this time was I was concerned because of the publicity regarding the existence of the Public Utilities Board and many public statements made by the Minister of Consumer Affairs regarding the disbanding of this particular vehicle of examination, and I was hoping tonight that we might get the First Minister, to somehow or other get a commitment from him that we could be assured that the Public Utilities Board will continue in existence and be a professional vehicle to examine the Manitoba Telephone System and its other operations as a check on behalf of the public to ensure that rates and what have you stay within a reasonable means of the average working person, and I would like to see that particular commitment made.

I have in front of me a report in which they have talked about a number of things that have already been made public. I'm very concerned because of the nature of the Minister of Consumer Affairs that the government seems to be getting more and more involved in the telephone systems and cablevision systems and the computer systems, as we are getting to know them today. I look back to the Manitoba Telephone System where there was absolutely nothing but 100 percent confidence in that utility by the public and it is only as of late with the involvement of, and I would consider an aggressive involvement by the Minister of Consumer Affairs into the activities of the telephone systems, that we have had these concerns raised by the public, and this is one of which I'm deeply concerned about myself. His sort of position, a position which would be one of non-debate, in which he has taken adamant stand that the government is going to own all the hardware pertaining to cablevision, and also that the government intends to get into centralized computer systems and charge up the loss of the obsolete computers to the Manitoba Telephone System.

So without delaying too much because the hour is late, I would want to hope that this new forced policy, this new partnership through the Public Utilities Board can be examined, and that the public can be assured that the Manitoba Telephone System will be the same as it was before with the modern improvements but there will not be that sort of government takeover, complete government takeover, and that's what I mean when I say the existence, I'd like a commitment tonight that the Public Utilities Board will be able to remain in existence.

MR. SCHREYER: Mr. Chairman, I believe that I can indicate in very few words to the Honourable Member for Wolseley that without necessarily accepting as valid some of his other observations as to the findings of the Utility Board vis-a-vis the Telephone System, that on his specific request that some assurance be given that there would not be a removal of the jurisdiction of the Utility Board relative to the Telephone System, I can assure him without hesitation and without equivocation that there will not, there cannot be any such removal without a bill, in which case it would have to be brought to this Legislature and he and all others interested and concerned would have ample opportunity to debate the pros and cons of it, so that he can stand assured that nothing is imminent in that regard. If and when in the future this might be proposed to be changed, it would require the advice and consent of this whole House.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Mr. Chairman, there is really a lot of items that should be looked at under the Manitoba Telephone System because I think while we have been concentrating our gaze on the issue of Manitoba Hydro and its capital expenditure, Manitoba Telephone System has been finding itself in the same kind of capital trap that the other large utilities are getting themselves into. I think that the value and effect of the Public Utilities Board, which we have argued about in this House for the last week or so, having some jurisdiction or responsibility for review is well borne out in terms of being able to apply some learned and intelligent eye upon the capital programs of public utilities, because I think that the evidence that has come about as a result of their hearings, I think should be brought to the attention of this House, and does require

SUPPLY - CAPITAL

(MR. AXWORTHY cont'd) some very specific answers from the Minister of Finance and perhaps from the Minister responsible for the Manitoba Telephone System.

The first thing that we have to take a look at, Mr. Chairman, is the fact that the Utility Board in its interim findings of last October said that they found the prospect of a 50 percent increase in capital expenditure over the next three years, some \$250 million, to be startling. And I quote from them, they said, "to be startling" and further went on to suggest that that particular expenditure far, --(Interjection)-- Well, they said, and if the Premier would like the direct quote, it says, "that the board freely admits that it has found the capital expenditure projections of \$250 million for the next three years to be at first sight at least 'startling'." Quote. Unquote. Page 5 from their October 29th findings.

And, Mr. Chairman, they went on to say, in that particular report, that furthermore what they even found more difficult to accept is that these expenditures far exceeded the Anti-Inflation Guidelines that had been set down. Now what is interesting, Mr. Chairman, is that somebody obviously got to them between that particular expression of opinion and when they reported on May 12, 1976, because in the meantime, they spent about ten pages going through a very large mea culpa about how as a Public Utility Board they must realize the limits of their commentary and that they do not have the responsibility to necessarily decide what the capital program of the MTS should be, because that is the responsibility of the Government of Manitoba.

But they go on in that report, Mr. Chairman, to point out something which I think is even more important. They get down to the basic formula of capital financing of public utilities and how it relates to the question of rates. And this is the thing that they point out, is that while the government likes to say, and does say with great frequency, that all these public utilities are so designed as to be self-supporting, what they point out is that a self-supporting public utility is therefore totally dependent upon its degree of capital expansion, and if in fact it expands its capital base and its capital assets in excess, then it is going to build in an automatic multiplier in terms of rate structures; that because of the requirement to be self-supporting, the larger the capital foundation and assets, that is the determining factor in terms of setting rates. And that therefore to try and say, well, it's self-supporting, really isn't an answer, it simply says that some control and guideline must be therefore set on Public Utilities in terms of their capital expenditure in order to try and retain their rates with . . . in some responsible control.

Now, Mr. Chairman, the point that I think the Board goes on to suggest is this, and I guess it's a fundamental question that should be raised - if you read the report, what they say explicitly in between the lines, they say Manitoba Telephone System is presently launching into a number of relatively peripheral, exotic somewhat dramatic kind of exercises, the data processing activity, the attempt to set up new cable lines, take over the cable business, and buy new equipment to connect hospitals, when in fact the capital should be going into providing their telephone service in the Province of Manitoba. And again to quote from the Board's hearing, they say that the multiple line service is atrocious, it's the worst in Canada, and that there has been absolutely no capital being devoted to what should be the basic fundamental responsibility of the Manitoba Telephone System; and rather than putting their capital in those areas, which is the primary responsibility of the MTS, they're off lost in a number of kind of interesting and perhaps more exotic, ephemeral, and I suppose even the kind of activities that would give the Minister himself something more exciting to play with rather than simply providing good old telephone lines. --(Interjection)-- Well I suspect that the Premier probably built his political base upon those party lines, and that it provided him with all kinds of leverage against his political opposition.

But aside from the fact, Mr. Chairman, the Board itself is saying something very important, and that is, we have a Manitoba Telephone System that is designed to provide telephone service; that there is a serious area of weakness of lack of service being provided in the rural areas; that it would require a degree of capital improvement in order to bring it up to a minimum standard, because it's far below the minimum.

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(MR. AXWORTHY cont'd) Furthermore, there is a capital requirement in order to provide for a continuation of the services of telephone supply and to maintain the equipment, keep it up to date, and that requires a fair amount of capital expenditure. In the meantime we're off launching a number of new ventures, highly expensive ventures, ventures which have a lot of questions attached to them about the jurisdiction, such as in the cable areas, and instead of launching into these kind of will-o-the-wisp sort of aspect, Manitoba Telephone System should be doing what it was set up to do in the first place. Therefore, Mr. Chairman, that would be the first question we would have, is really the allocation of priorities about the Manitoba Telephone System. And asking the question, shouldn't it be back in the telephone business and really restraining itself in a period when everyone else should be restraining, in terms of the capital expenditure in these other areas.

Now it leads to the other question, Mr. Chairman, about the actual intervention in these two lines of new businesses, or activities that the MTS has gone into. One is in the cable activity. There is first a question I would want to raise with the government about whether the end result of the policy that the government seems to be following implicitly, cause it has never explicitly said what the policy would be, is really to get itself into a new line of business which is not only going to cost an awful lot of money, that it is also I believe unconstitutional. Because when it begins to take over the full control of the cable lines, it really is in the area where it is taking over responsibility for programming, and the decision that was made by the Canadian Transport Commission on Bell Telephone last year said that total ownership of a cable system really implied a form of control over programming which is really under the federal jurisdiction. So that would be one question Mr. Chairman.

But I would want to raise something which I think in part has been a little bit of a lack of forthrightness on the part of the government in dealing with its cable policy, that the Minister brought forward a paper about eighteen months ago, two years ago, where he said May 1974, a paper was brought forward on cable systems, and at that time the Minister promised with all the contingency that he could muster that we were going to have a major debate, discussion, examination of that cable policy. Never anything more was heard about it, Mr. Chairman. There were never any committee hearings, there was never any attempt for representations. It seemed to drop from sight, and then lo and behold we find this year that that policy is in fact being implemented. So we went through a period where the province was going to get itself involved in a very major activity and again we find ourselves in a position where we don't know why or how, where we haven't had an opportunity to fully examine it with proper public hearings. So again we're getting ourselves into a policy area without really having had an opportunity to debate and to discuss that policy in a public fashion. And I think that that, Mr. Chairman, is not really living up to the responsibility of what the government initially said it was prepared to offer, which was to provide that white paper or green paper or whatever they described it, and then invite public participation on it. But we didn't have any of that, Mr. Chairman, and now we have a policy. And I say the policy is fraught with both an expense to the government which perhaps should be looked at more carefully, and certainly is fraught with a number of jurisdictional problems. And so, Mr. Chairman, I would really say that I think that the Minister really has a responsibility to explicitly state what the cable policy of this government is and to lay it out in very firm and direct ways.

Now a third question dealing with MTS, Mr. Chairman, is on the data processing area, because that is one area which again has been covered with a great deal of confusion and expense, that we again find out that the government has gone into the data business, setting up its own computer services. And again it brings into that area of fine line as to whether we in fact are setting up a government operation that could be better handled by private firms in the area, and we'll never know because, Mr. Chairman, as we understand the policy, as we've been asking questions, they're never given the opportunity to find out; that the business is never bidden upon, tenders are never offered, it is simply a matter that one government agency goes to another government agency and says do it for us. There is no cost control, there is no accountability, and therefore we don't know whether in fact this new data processing is going to be a major white

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(MR. AXWORTHY cont'd) elephant in terms of the kind of multitudes of government enterprises we've found ourselves engaged into, and doing so at an expense again both capital and operating, that we're going to be providing deficits, covering them off in different areas. We even had our own Phoenix Data Processing which we found out this morning wasn't even being allowed to tender or bid on many of these contracts, which again is surprising. You've already set up a business, now you're setting up another business, and you're not allowing any business to contract. Mr. Chairman, I think that the government is jumping through a lot of hoops on this one, or getting us into a magic mirror house, where every time you turn around you get another reflection, you don't know what you're getting into.

So, Mr. Chairman, what I'm simply suggesting is, that when the Public Utilities Board says that they find \$250 million a startling figure, I agree with them. It's an awful lot of capital, and the cost of that capital is going to have to be borne by the users, the ratepayers. We've seen the kind of heavy increases in rates that have gone on. And what the ratepayers, the telephone users are paying for, is a lot of pretty exotic experiments being conducted by the government. That's what they're paying for, because all the extra surpluses have run out. The Public Utilities Board itself said, that if the Telephone System has some surpluses to invest in these things, they could understand it, but in fact they're having to go into very heavy debt, they're going to have to go in the money market, paying very heavy interest rates, and so why for goodness sake are they getting into these sort of exotic adventures and enterprises and investments when in fact they're not even able to properly finance the provision of proper services in rural Manitoba. Mr. Chairman, I think that those are questions which really relate very fundamentally to the operation of the telephone system and its capital borrowing, and I think it deserves some answers.

MR. CHAIRMAN: The Honourable Minister of Consumer and Corporate Affairs.

MR. TURNBULL: Mr. Speaker, I don't know whether it's the late hour that provokes the Member for Fort Rouge into what has to be from an informed point of view, the most incredible rantings about the telephone utility in this province that I have ever heard uttered by any member of the Legislature. The Member for Fort Rouge purports to claim that there are three major areas, telephone service, cable extension and computer services which the Telephone System is into, and which he claims has not been enunciated as clear policy.

Mr. Chairman, I can only say that the Member for Fort Rouge has been operating with blinkers on his eyes and cottonbatten in his ears because the policy for each of these areas has been clearly enunciated over the last number of decades, not just while I have been the Minister for the last three years has this policy been enunciated in these three areas, but for decades. And I hope to now get into some of the details of what I mean by the enunciation of policy over the last decades.

But I have to say, Mr. Chairman, that I'm really flabbergasted at the Member for Fort Rouge who at times seems to be able to display an ability to ignore what he simply does not want to consider, when he makes a presentation to this House. One of the ways in which he tends to ignore what has happened, of course, to go back to the Interim Report of the Public Utilities Board and not really get into what the final report had to say. The fact of the matter is, and it was clear, should be clear to him as well as to all members, those members who were in government on the opposite side, that the Cabinet of this province retains the final authority and the Legislature retains the ultimate authority to approve Capital Expenditures, not only for the Telephone System, but for Hydro and for other utilities in the province that are owned by the Crown. That surely is the principle of legislative responsibility and it is something that clearly the Member for Fort Rouge chooses to ignore when he wants to get into citation of the Interim Report of the Public Utilities Board and their expressed concern at that time about Capital Expenditures by the Telephone System.

Mr. Chairman, the expenditures on Capital by the Telephone System are made simply to provide improved telephone service to the people of this province. What the Public Utility Board found during its hearings after the Interim Report was: in a series of meetings in rural Manitoba, that the people out there wanted improved telephone service,

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(MR. TURNBULL cont'd) it's as simple as that. That's why we have Capital expenditures for that service and for others. And if the Public Utilities Board had chosen, and it chose not to, if the Public Utilities Board had chosen to go to northern Manitoba, to go to Berens River and Pine Dock, Shamattawa and other areas of northern Manitoba, they would have found in those communities, too, that there was a demand there for service, and a demand for that service would have entailed increased capital expenditure.

Mr. Speaker, the Member for Fort Rouge seems to think that there has been no, relatively small anyway, expenditure on rural line service in this province, and he simply doesn't know what he's talking about if that is his point. He indicated that the Telephone System should get back to providing telephone service. And I can tell him that in the time-frame 1964-1974, that decade, the Telephone System spent \$20 million on reducing line-loads primarily in rural areas, \$20 million, Mr. Chairman, dollars that were based not on today's inflated costs but on the costs of the decade 1964-74.

In the next five years there will be approximately \$25 million spent by the Telephone System, that is in the period from 1976 - 1981, \$25 million spent on four party and individual lines in this province.

Mr. Speaker, that's the size of the expenditure that the Telephone System is incurring to provide better rural line service in the Province of Manitoba. And for the Member for Fort Rouge to say that the Telephone System doesn't seem to have a sense of priorities in this regard is just not true, it just is not factual.

There is a number of other services that are provided, and if the member wishes and if I had the time I could go into a citation of them, and perhaps that is what he needs, but the demand for service is there, the capital expenditures have been made in the past and will be made in the future. The fact of the matter is, Mr. Chairman, that until the Telephone System got its recent rate increase, just approved in the last few days, it did not have the money to provide for great capital expenditures to provide improved service in rural areas. With the rate increase there is every possibility of accelerating the improvement of rural line service, rural line loadings and I expect that the system will be undertaking a review of that service to see if it can provide some acceleration there. That's always a possibility.

With regard to those two areas of service which the Member for Fort Rouge seems to think are exotic, that of cable service and computer service, I have to say a few remarks about them, too. He seems to think that cable service provided to Manitobans in Brandon, Portage la Prairie, Selkirk is somehow an exotic service, something that the people of those communities should not be entitled to have, and I couldn't disagree with the Member for Fort Rouge more on that point. It is a Federal agency, the Canadian Radio Television Commission, that has allowed cable signals to be imported from America to this country, and to the extent that that policy of the Federal CRTC has damaged the financial viability of the Canadian Broadcasting System it has been done. And for the CRTC to delay over the last five to six years a calling of applications for rural communities such as Portage, Brandon and Selkirk, is in my mind the fact of eastern discrimination against western Canadians, it's as simple as that.

The cable policy of the Telephone System is not a new policy, it is a policy that was set really in a contract signed in 1967, a contract signed between the cable operators in Winnipeg and the Manitoba Telephone System. That cable contract spells out very clearly that the Telephone System here owns the cable, right here in Winnipeg, it's the Telephone System's property and through the Telephone System it is the property of every man, woman and child in this province. What the cable companies want to do is use that property to satisfy their own desire, to do with MTS property, to do with the property of the people of Manitoba what they the private cable companies want to do with it. And in that they may well be aided and abetted by the Member for Fort Rouge's Liberal friends in the CRTC and the Federal Department of Communications, that's just a possibility, and I don't think that that kind of use of public property by private corporations is really the kind of policy that is in the best public interest.

The policy on cable ownership, hardware ownership, that is set out in the 1967 contract is one which is designed, basically, to provide for the integration of the transmission of telecommunication services over the cable, to have one cable which can carry

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(MR. TURNBULL cont'd) every conceivable signal that I can imagine, and likely the Member for Fort Rouge can imagine, it can carry cable, entertainment signals, it can carry data information, it can carry point to point information of various kinds, it can carry telemedical information, it can carry shopping information or stock market information, it can carry weather information and all of this can be provided on the one cable system that the Telephone System has owned in the past and as far as I am concerned will continue to own in the future. That policy is clear, the ownership of the cable surely spelled out in a contract between cable companies and the MTS could not be more clear, it is a legal document, it's a legal document; and for the Member for Fort Rouge to say that that policy somehow has not been enunciated, somehow is unclear, somehow is anew, somehow is not forthright, is just sheer nonsense.

The prospectus paper, the policy paper that the Department of Communications here in Manitoba issued in 1974 indicated again very clearly that the new cable contracts that would be negotiated in this province would be based on the idea that the common carrier here would continue to own the cable. And I thought that was very clear, the Member for Fort Rouge had the paper, he surely has access to the presentations that were made before the CRTC both in 1974 and this spring, and the policy is there. The fact that there has been very little debate on this policy, on these issues, is not something that I am going to take responsibility for. I set out the policy in the prospectus paper, I have gone to the CRTC and made my position very clear, I have gone to Federal-Provincial conferences and made the position of the Provincial Government very clear, and the fact is that my efforts are usually taken up only by the Member for Fort Rouge who has a particular interest in this as he does in practically everything else that goes on in the House. So if the debate between he and I on communications policy has not been a great public debate then I suppose I have to, with him, share some of the responsibility but certainly not all of it.

Mr. Speaker, that 1967 contract between MTS and the cable companies provided for a number of other provisions with regard to hardware, namely, that the MTS had the right to change amplifiers on the cable and to change certain other hardware aspects of telecommunications over the cable. That was provided in the contracts, that is the basis of future policy, and again I can only say to him that it is perfectly clear, as I say, set out in a legal document.

Mr. Speaker, I can give more information on the cable policy but it would be merely a matter of detail. The fact is that the Board of Commissioners of Manitoba Telephone System decided some months back that they would proceed to provide cabling in the three rural communities, urban communities rather, outside of Winnipeg that I mentioned, Portage, Brandon, and Selkirk. The cabling of those communities will result in what the Telephone System terms a local broad-band network communication facility in those communities. That local broad-band network will be available to local entrepreneurs in the three urban communities outside of Winnipeg. The point of the policy really is to encourage free enterprise, the point of the policy really is to enable local people in local communities to make an input into the provision of television cable signals in their communities. And I think that that is a desirable goal. If the Member for Fort Rouge wishes to argue about that and rebut it then I would welcome his further participation in debate; but to encourage local enterprise, to encourage local involvement, community involvement in the provision of cable signals, I think really are two admirable goals. That's what the local broad-band network cable policy of the Telephone System is designed to achieve; those are two of its objectives.

The alternate, Mr. Speaker, the alternate is to have something such as the Federal Minister of Communications has recently suggested, the cross ownership of broadcasting in cable companies. We happen to have that in Winnipeg where Moffat Communications own both a TV broadcast network and a cable company. I don't think that that is in the public interest, that is monopoly control, that is monopoly domination of the provision of communication in this province, and I do not think that that's in the public interest. I think it's much more in the public interest to enable local entrepreneurs who do not have enormous amounts of capital to keep down their capital input and have instead

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(MR. TURNBULL cont'd) the opportunity of leasing high cost expensive and technical equipment such as cable from the telephone system; it's a sensible policy, Mr. Chairman, a common sense policy designed for western Canada, designed for Manitoba and one that I think could, given some flexibility by the CRTC, result in the earlier provision of cable services, cable signals, entertainment signals, to the three communities that I have mentioned.

Mr. Speaker, the other service that the Member for Fort Rouge mentioned and which he seems to think is somewhat an exotic service, was the computer services now provided by Manitoba Data Services. Manitoba Data Services was set up to take the functional responsibility of the Manitoba Government Computer Centre. Now there is nothing mysterious about this transfer of functional responsibility from within the central agency of the government, Management Committee, to a Crown Corporation, nothing mysterious in that at all. The Manitoba Data Services has the technical expertise in transmission services, they have the electronics engineers, they have the expertise to provide the hardware and the services to the government departments that need them. That, too, is a perfectly sensible policy. I do not think that one can consider it in this day and age, in 1976, to be an exotic service. Surely this has given large government and large corporate structures - the provision of computer services is really quite ordinary and the provision of those services by the Manitoba Data Services is not something that detracts from the ability of the Manitoba Telephone System to provide telephone service. If the Member for Fort Rouge would read the Act that set up Manitoba Data Services he will see that there is no cross-subsidization between the computer facility and the Telephone System, the two are kept distinct, the two are kept separate, that was done purposely, and I think that it really deals with his imagined fears about somehow this computer service is detracting from the provision of telephone service in Manitoba. That just is not true. And the Act, if he will refer to it, will sustain me in that.

So with computer services, also with cable services, the amount of money that the Telephone System will spend to cable the three communities I mentioned, Portage, Selkirk and Brandon, is minimal, it's approximately \$1 million, and that is hardly the kind of money that will detract from the provision of improved telephone service, keeping in mind, Mr. Chairman, the kinds of figures that I mentioned for the improvement of rural line loadings, \$20 million from 1964 to 1974 and \$25 million from 1976 to 1981. That's the kind of money for that one particular service, the reduction in the number of subscribers per rural line. There are many many other services provided by the Telephone System that absorb enormous amounts of capital. The amount of capital taken for the cable extension in comparison is very small indeed.

So again with the extension of cable, with the local broad-band network service that the Telephone System will be providing in those three communities, he cannot say that the provision of that service will lessen the ability of the Telephone System to provide improved service in rural and northern areas and improved service to businessmen in all parts of Manitoba. There are indeed three major thrusts in the Telephone System right now. One of them is the improvement of rural service, the other is the improvement of service in northern Manitoba and the third is the improvement of communication for business purposes.

Mr. Speaker, the Member for Fort Rouge got into problems about increased debt loading of the Telephone System as a result of some reasons which I do not quite recall. But I can tell him that the debt to equity ratio of the Telephone System historically has been around 85 percent. It has been that way; the new rate increase will keep it that way and presumably it will continue that way for many many years to come. That is the historical ratio and the increase in debt loading that the Member for Fort Rouge holds up in some spectre is again just a figment of his imagination. It just doesn't hold up when the facts are considered, when the operating statements and the capital accounts of the Telephone System are considered.

Mr. Speaker, I have to say that again I was completely flabbergasted by the Member for Fort Rouge who seemed, because of the late hour, to get off on a rather crooked track. I hope that he can now get down to asking some practical questions to which I hope to give him common sense answers.

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MR. AXWORTHY: Mr. Chairman, the Minister during the course of his remarks made a number of hurtful comments about my own perception and I would only say - I wouldn't want to use the kind of language that he would use - but I would say in clear terms the Minister is a dissembler. I have looked up the definition of that. A dissembler, Mr. Chairman, is to hide under a false appearance and to put on pretence, conceal facts, intentions or feelings. In other words to disguise the facts. Mr. Chairman, that's exactly --(Interjection)-- Well that's the synonym of it. I've got the actual now and you've got the synonym. Mr. Chairman, he dissembles in several ways.

To begin with he says, look we've been doing the best we possibly can. Well, I guess it comes down to whose word you take. Because, Mr. Chairman, that's not what the Public Utilities Board . . . Now if he wants to be critical I suppose he can say that all those appointed members of the Public Utilities Board who are their appointments are rash and ranting and raving because they are the ones, Mr. Chairman, in their latest report, which say things that we must admit and I quote: "that our previous assumptions of indifferent services were wide of the mark and that it would be no great exaggeration by and large to label the service atrocious. There is no shortage of evidence demonstrating that it is so frustratingly inadequate as to constitute no more than a travesty of a reliable telephone facility." This was the board, not the Member from Fort Rouge, this was the Public Utilities Board, all those members who had been appointed by the government. "When we offer the general assessment as we do, if the overall Manitoba Telephone System is to provide good service, it must be understood to be subject to the glaring exception regarding rural multi-party services. That sphere is affecting approximately 50,000 subscribers as of March 31st, 1975, and the service is dreadful." Now, Mr. Chairman, that's the Public Utilities Board that's commenting which I think only goes to point out the wisdom which members in the opposition have been pointing out, why it's useful to have a board that's able to bring together some witness and some expert evidence so that they can get to the truth. And we don't have to rely upon a Minister who dissembles to give us what's going on but we can get someone who might be a little bit more accurate and a little bit more fair and a little bit more impartial in counting up exactly what is going on. That, Mr. Chairman, is a third party point of view, not these awful partisan opposition members who are trying to score points, it is people appointed by the Government of Manitoba on the Public Utilities Board who themselves say it's atrocious, it's dreadful, it's the worst in Canada.

Now, Mr. Chairman, if the Minister is trying to claim that for his 20 million bucks between 1964 and 1974 - what it's bought us is the worst rural telephone service in Canada - then I'd probably say something's amiss. That is the point of the exercise. If the Telephone System for so long has really been ignoring what this particular board of people say is dreadful, atrocious and the worst system, while they've been sort of concentrating their energies and their times and activities following these other kinds of things that the Minister wants them to pursue, then it's no wonder that they're so busy running around trying to figure out how they're going to plug a head-in amplifier in the cable system at Tolstoi, Manitoba, that they don't have any time to start fixing up the telephone system. That seems to be the problem.

If we could only get, Mr. Chairman, get them back and doing what they're supposed to be doing and not be going after the particular Minister's hobby horses. I know that the Minister would get bored with worrying about the rural telephone lines, and it's much more exciting to be in a high technology dramatic world of computers and he loves to go to those Minister's meetings down in Ottawa and say, hey fellows look what I'm doing here, I'm going to put in a new head-in amplifier and I'm going to create a new two-way communication between hospitals and I'm going to set up a new shopping service, and that really is a hell of a thing to really say at those meetings, how innovative I am. In the meantime, we have 50,000 people in rural Manitoba who have an overloaded telephone line and they can't get through to anybody.

Mr. Chairman, that's the kind of thing that we're trying to bring up. It's what your priorities are. I can understand the Minister wanting to establish his mark in the world as a great innovator in the field of telecommunication, but while he's doing it, Mr. Chairman, 50,000 people in rural Manitoba are getting the most atrocious, worst

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(MR. AXWORTHY cont'd) telephone system in Canada. The Minister says we're on a crooked track. I'm simply trying to get him back on track and get him back on the right telephone line and start having him getting out and doing what the Manitoba Telephone System should be doing and doing as it has done in the past, in the best way possible. The Minister is not quite right when he says that we are short of capital because even the Public Utility Board said that - again I could quote from them if I may, Mr. Chairman. It says that in the past years and up until quite recently Manitoba Telephone System was in excellent financial condition, earning handsome surpluses each year. The Board then goes on to ask, why were those surpluses not put into that service? Well it is a good question, Mr. Chairman, why weren't they? So it's not simply a matter that they all of a sudden found themselves strapped for funds. That has been a very recent occurrence as both those board hearings point out.

Now let's deal with this question of rate increases, Mr. Chairman. The member says we've always kept the same debt load, at 85 percent. Of course you have. The reason you're able to keep it is because you keep putting the rates up and the whole import of the Public Utilities Board hearings is to say look, we're now getting into a period of heavy expansion in capital - 50 percent in three years is a very heavy load of capital. The people who are going to pay for it are telephone subscribers, and you should be providing some restraint. The Minister says, well I'm restraining, what's a million for a new system? Well that's the old C.D. Howe system. What's in a million? Well a million dollars, Sir, adds up in terms of capital debt. All those millions begin to add up. It's a million here and a million there and the question comes down again, Mr. Chairman, to the fact that of course the Telephone System can keep its debt load in line as long as the rates keep going up. What the Board is saying is that you've got to relate the rates to your capital borrowing because if you don't restrain your capital borrowing the rates are going to have to go up in order to keep that ratio in line. If you can keep your capital borrowing restrained then the rates can stay even or only increase by a reasonable amount. Now that, Mr. Chairman, is the point.

Public service financing is really the issue that we're trying to deal with in these Capital Estimates and the government has demonstrated time and time again that in the area - the Kierans Report said that the government has no priorities in Capital spending, it doesn't know how much money it's going to need, where it's going to get it or how much it's going to pay for it. We now find the Public Utilities Board saying the same thing about MTS. This government has no program, no priorities when it comes to Capital spending and yet that's the most inflationary push that government has, is in the area of Capital spending. That's where the inflation exaggeration takes place. So we're simply saying there's a warning there, why don't you heed it?

Mr. Chairman, in terms of the two different points that he raised. He tried to make the case that I was somehow not reading the 1967 agreements on cable. I've read them and I'll tell you what they say, Mr. Chairman. They say that the Telephone System will provide cable. It doesn't say the Telephone System will provide amplifiers or drop-ins or head-ins, all the extra hardware that goes along with it. That's where the rules of the game have been changed. That is where the rules of the game have been changed this year, that they are all of a sudden not simply becoming a common carrier, which is what the telephone system should be, they are now becoming the owner of the total broadcasting system for cable. That's the issue. That's the change in the rules of the game --(Interjection)-- Now we're hearing, well that's the way it should be. Of course if you're a socialist that's the way it should be, of course, if you want to take over and control communications.

But let's just deal with that, Mr. Chairman. If the Member from Thompson and the Minister want to fool around with their socialism in terms of owning enterprises, we all pay the price ultimately in terms of the deficits we run up. But you run an extra special danger when you get in to the field of communications because if there is anything that our society has learned is you don't let government get a stranglehold on a communications network. What we're heading towards, Mr. Chairman, is that the Government of Manitoba was going to own all the printing presses in this province. If the electronic cable, which is the purveyor of all kinds of information is totally dominated by government,

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(MR. AXWORTHY cont'd) that they determine who gets on the cable and how much they're going to pay and who the equipment is, it simply means that they have a basic sort of censor right as to who gets on that cable system, what it's used for and how is it applied. Now, Mr. Chairman, that's the point of the exercise. If they want to play their socialist games in other areas then we'll argue on the basis of sheer economics, that it's dumb economics. We've just gone through a series of hearings on William Clare and Western Flyer to show how dumb their economics are in those areas. But in this area, there is an added dimension to the danger and that is when they start controlling the cable system they are starting to control the flow of information and the flow of opinions and ideas and everything else. That is the kind of consumer rate - and Mr. Chairman, it has not been debated, that has not been . . . There hasn't been the kind of disclosure of those kinds of intentions. The Minister says, well all I'm trying to do is promote local entrepreneurship up there in Selkirk and Portage la Prairie.

Mr. Chairman, the fact of the matter is that when they own not only the common carrier rights but also all the equipment that is attached to it then that really means that they get to determine who plugs into that cable system. I don't know who is going to get the rights up in Selkirk but the question is, is it friend or foe who gets those rights? That is the kind of decision we're getting into. That, Mr. Chairman, is why the Public Utilities Board comes back again and says that if the Manitoba Telephone System is getting into that kind of racket then they should be required to go before the CRTC. This government says they won't go before the CRTC to ask for those kinds of permission. So, Mr. Chairman, that again is a certain contradiction in the position the Minister is taking and that's why he's a dissembler. He is a dissembler, Mr. Chairman, for that reason alone. You can't, again, have it both ways. If you want to get into the cable business then you should be going to the CRTC for licences; if you're going to become a common carrier then become a common carrier and don't try to run those businesses for them. Because that's exactly what the Minister is trying to do and that, Mr. Chairman, is really what the argument is about.

Finally, Mr. Chairman, I would simply say that in a time when there is the requirement to provide a restraint on the spending of government, on the capital side as well as other, that is the reason why we're saying, it's maybe about time that you look at your priorities.

If the Minister wants to follow through his dream of a wired city and get into two-way systems where he's plugging up shopping centres and hospitals and police departments and I don't know who is going to plug in, I guess constituency offices and whatever he wants to plug in, then the basic sort of advice that he is receiving from his own consultants is don't do it on a local broad-band system. Set up your own two-way system and run it through that system and save the local the broad-bands because what's really going to happen is that the government is going to confiscate or use those broad-bands for its own purposes and either take away their own informational point of view from the point of view of maintaining some pluralism in the system so that there's alternative options available on it or take away the entertainment channels. If he wants to get into a two-way system, fine, get into a two-way system. But we've seen the wisdom of that point of view when the government tried in its connection between the two hospitals to graft on its own two-way system, its own consultant said, you're making a mistake and you are going to get into all kinds of problems of invasion of privacy or control of privacy. It's an expensive way of doing it and the system would have been much more effective and useful to have got into its own two-way system on a limited basis. Now that's a report from its own consultants saying, if you want to save money do it that way, don't try to graft on or transplant or adapt the local broad-band system for these kind of uses the Minister is prescribing for it. Now that's the argument we're getting. He's saying it's the kind of thing where you really have to - and if the Minister would like I could quote from one of those reports where it really says that initial capital investment on a two-way system, in the long run, would be far more efficient and cheaper than trying to graft on the local broad-band.

Mr. Chairman, there's a lot of technical things we could get into but that's the

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(MR. AXWORTHY cont'd) kind of argument we're using and I think what members of this committee should be appraised of is that there is some implications in this issue that go beyond simply the matter of spending of capital - that's bad enough - but when they get into this cable system I think that again the government has not been forthright or open in terms of what it intends or how it's going to do it. It has changed the rules of the game; it is not prepared to put itself under the CRTC where there is at least some requirement to protect it and he said, do we want these horrible free enterprise guys, the Moffat Company sort of making decisions for us? One thing about the Moffat company, Mr. Chairman - I hold no brief for them - is at least they have to go through the CRTC. They have to show up there and say what's been on their programming and how much capital they're investing. The Government of Manitoba says it doesn't have to go before it but Moffat has to go before it to get its licences. Now that's the kind of issue. If you want to get into the business at least put yourself under their jurisdiction that you are going to be accountable and responsible to somebody. That's the kind of problem we're getting ourselves into.

MR. CHAIRMAN: The Honourable Minister of Consumer Affairs.

MR. TURNBULL: Mr. Chairman, I am always amused and I don't know if Conservatives are amused or not but I'm always amused at the Liberals. There's one thing about a Liberal, they will claim that what they do in terms of controlling whatever it is, is okay, but if anybody else does it that somehow it becomes a nasty thing to do. So the Member for Fort Rouge is concerned apparently and I will try to indicate where I think he errs in his analysis in a minute. But the Member for Fort Rouge seems to be concerned that the Telephone System will have ownership of hardware, like this microphone here, and that that somehow, because the Manitoba Telephone System owns it, will be a bad thing. But consider for a moment, Mr. Chairman, what the Liberal Government own in terms of communication and what they control in terms of communication in this country. They control the largest television network in the country. They control the largest radio network in the country. If that isn't enough they also have regulatory authority over everybody who wants to use the broadcast media, T.V. or radio, and in addition they have regulatory authority over everybody who wants to use a cable system or to provide a signal, an entertainment signal, a broadcast off-air signal via the cable. That apparently is okay. That's okay. To control the content, to control the program, to determine who will get the license, to determine where the service will be provided, all of those things done by a Liberal Government, that's okay. But if the Telephone System in Manitoba desires to control the cable then that somehow becomes, in his mind apparently by what he said, something that is not to be tolerated, something that will lead to - I'm not sure what - in his mind.

I'm always pleased, Mr. Speaker, to enter into this kind of debate, I think it's important because in the next few months, or next two years maybe, we will be determining in this country the future of telecommunications in Canada and western Canada. And it's a major public issue and there has not been adequate public debate on the major principles involved in this issue.

The fact is, Mr. Speaker, that cable is very similar to a common carrier of any other time, it's very similar to, for example, the provision of railway service. And we have seen what Liberal policies in railway service have done for western Canada. We saw before the First World War the introduction of three railway routes across western Canada, none of which apparently, according to the railway companies today, are capable of being financially viable, there's just enough traffic for them. And the Member for Fort Rouge in supporting the CRTC in its attempt to encroach on provincial authority and provincial jurisdiction and MTS ownership is really supporting the same kind of duplication and uneconomic extension of cable services in Manitoba and perhaps in Saskatchewan, because we do not need, we simply don't have the population distribution or the population size to support a great variety of cable systems, one providing entertainment signals, another providing some other kind of service, a third providing some other kind of service. That just doesn't fit in the context of western Canada, it may be okay between Windsor and Quebec City, but it doesn't fit western Canada, and that is my concern, to have a

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(MR. TURNBULL cont'd) communications policy that fits into the traditions and the history of this province. And for him to say that in some way the Manitoba Telephone System by having ownership of a bunch of material, a bunch of equipment, is somehow going to control a signal, is just nonsense. To say that the ownership of the hardware means that they'll have control over who gets the licence or who gets the right to send the signal down the cable is just nonsense. We have never questioned the right of the CRTC to retain its authority under the Broadcasting Act to regulate broadcasting. The signal is the program, the content is something that is left to the CRTC and we do not challenge them on that at all, that's their responsibility, they can license whoever they want, wherever they want; all I'm concerned is that the people of rural Manitoba get the service that they want and get it as quickly as they can get it, that's all.

The CRTC has been laggard in this, they did not call licenses for the three urban communities that we've been talking about until just recently, and they still haven't made a decision on them. My only concern is that the cable be in place so that whoever the CRTC licenses, and they will continue to license these cable operators, that whoever is licensed will have the facility in place and be able to provide the service over that cable to the people in those communities, that's all, simple, common sense, it fits the history and traditions of western Canada. Not history and tradition by the way made by the New Democratic Party Government that presently holds power in Manitoba, made by the forefathers of the Members sitting opposite, made by Sir Rodmond Roblin when he bought out Bell in 1908. That's been the tradition here, public ownership of communications in this province, of the hardware, and generally the telephone system, following up on that Conservative Administration's initiative has provided good service, no question about that, and whose only desire is to continue providing good service, that's all.

Mr. Speaker, I just wanted to emphasize that the policy of the Manitoba Government and the Telephone System to own, to continue owning, to continue owning the hardware is not in any way saying that the Telephone System will determine who has the license to provide the service, that's the responsibility for the CRTC and I expect that they will continue to exercise their responsibilities in that area.

Mr. Speaker, again, it's always amusing for me to hear members like the Member for Fort Rouge talk about socialism when they're dealing with communications, because of course as I've just said, it was a Conservative Government that established the Telephone System, not a socialist government. It may have been a really Progressive Conservative Government back in 1908 that did this but I think it was done to provide good service to Manitobans, it was done because it was practical, it was done because then Bell Canada was not providing service to Manitobans, especially in rural areas, and the nationalization by the Conservative Government of the Telephone System was intended to provide good service, particularly to the rural area. Because the fact of the matter is, Mr. Chairman, that a private operator has no particular incentive to provide good service to isolated communities or to rural areas. Why should he? He can't make enough money doing it. But a public utility will and has, and the members from rural areas over there know it. They may have some nitpicking to do about the level of the service but they know that generally the service has been good, historically has been good.

Mr. Speaker, the possibility of rural line service in Manitoba can be improved by reducing line loadings and that has been a priority of mine and a priority of the Telephone System. Indeed, although I haven't checked this specifically, but I do recall last year on Capital Estimates I did indicate, I believe, in response to a question from the Member, or a speech from the Member for Pembina, that reduction of rural line loading was more important really than the expansion of exchange areas, because clearly it is more important for a rural subscriber to be able to get through to whoever he's calling. That is the most important thing, and whether he can call across the existing exchange boundary is the next most important thing for a rural subscriber. So the priority for reduction of rural line loadings has been enunciated by me in the House, if my memory is correct, and it is certainly, as I indicated from the figures that I read out, in terms of money spent, a priority of the Telephone System.

The Public Utilities Board compared five companies, as I am informed, when it

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(MR. TURNBULL cont'd) was talking about those particular statistics, and one can cite in the telephone business, as I suppose in any other major business, you can cite statistics, and statistics, and statistics. The fact is that MTS telephones per thousand population is near the upper end of the industry range. In other words, more people per thousand have telephones in Manitoba than in most other areas. Now that is a general statistic for the total province as compared to other areas that I think is significant and it does indicate that there is a high level of telephone penetration, I think is the term they use in the industry. So it depends, Mr. Speaker, on what statistics you want to compare.

The Public Utilities Board, I believe, in this five company comparison looked at Bell Canada in Quebec and Ontario, I believe, I don't think it's got it in the report, but I believe that that was one of the companies. But what are we talking about when we're talking about Bell Canada, we're talking about service in areas, not like rural Manitoba, not like the Interlake, not like south eastern Manitoba, we're talking about areas that are fairly dense, where the distances between communities are less, where there are just generally more people per acre, so it's apparent that they will have likely fewer subscribers per line.

Mr. Speaker, there are a number of technological breakthroughs on the horizon that I mention almost with fear and trembling now because mentioning them I'm sure the Member for Fort Rouge will say that I am dissembling - and I am trying to recall where I recently read an article talking about dissembling because I think he and I likely have read the same article. But there is a possibility again with using cable, of taking the signal down to rural subscribers on a cable in such a way that there will be the possibility of providing better improved telephone service and it is another reason for the telephone system retaining control of the cable system, because that cable system which now is providing entertainment signal in Winnipeg might be used in the future to provide farmers and people in rural areas with better types of communication of the kind that they cannot get over the bared wire systems they now have.

Mr. Speaker, the Member for Fort Rouge seems to think that capital can be kept in line, that somehow, some way, the telephone system in Manitoba, unique amongst all other telephone systems in the world, can somehow keep its Capital budget down, less money spent on capital here than any place else. Mr. Speaker, you know there are members opposite who have some business experience, the Member for Sturgeon Creek, for example, who knows the cost of materials and how they have gone up recently, and for the Member for Fort Rouge to say that the purchase of complicated technical equipment like the new exchange system recently put into the Brandon exchange, can somehow be acquired at a cost of less than what other telephone companies have to pay again is just nonsense. The Telephone System here has to pay what the manufacturers of the equipment happen to be charging and the manufacturers happen to be charging prices that are escalating at an astronomical rate, and that increase in cost of equipment is built into the capital program of the Telephone System. It's a simple fact and I'm sure that he clearly recognizes that.

Mr. Chairman, those really are the only points I wanted to deal with, those raised by the Member for Fort Rouge but I certainly, again, look forward to specific questions from members opposite.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Chairman, I'm sorry I didn't hear the comments from the Member for Fort Rouge, I think in his first comments to the Minister of Consumer and Corporate Affairs, but I heard the Minister's reply and then further comments from the Member for Fort Rouge, and while he talks about the progress in the Manitoba Telephone System which is a Crown Corporation and he was talking I think more about the telecommunications and the responsibility of CRTC and all the rest of it . . . but you know, Mr. Chairman, when he was dealing with the Public Utilities Board when they received hearings from many many individuals and probably groups of people in regards to the kind of service that this utility is providing to the people of Manitoba, I was driving in my car one day and I heard the report where the Public Utilities Board was astounded to find out, after all these years, the kind of service that the

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(MR. EINARSON cont'd) people in rural Manitoba are getting. And you know, Mr. Chairman, I thought that the Member for Osborne, the Minister of Consumer and Corporate Affairs had spent enough visits to the rural parts of Manitoba that he would understand - and I use an example for myself in the Town of Glenboro, which is my exchange, I can make about 500 calls without paying long distance charges, but you know in the City of Winnipeg you can call almost half the population of the Province of Manitoba without paying a long distance charge. And what is the rates? I don't have the exact figures, Mr. Chairman, but the Minister can give me the rates, it's about a little over \$2.50 subscribed for monthly rates to the rural telephone as opposed to just double that in the city. But when you compare the number of calls that a farmer can make or a businessman can make in any rural town with that of a person in the City of Winnipeg, I don't think it's really fair, and this I think is one of the areas in which the Public Utilities Board were astounded to learn.

But where have we been all these years, Mr. Chairman? This government and under this Minister's responsibility they thought they had progressed. I will give him credit we've come under the dial system in many areas of the Province of Manitoba and I'm prepared to infer criticism that this has cost the telephone system money, it's cost the taxpayers money, and that is quite true. But you know the one area, Mr. Chairman, that has not been discussed here, to my knowledge, and if I'm wrong I stand to be corrected, that is the long distance charges that our rural people are paying and they feel they're not justified. We have one exchange that we can use where we can pick up our telephone and make a call without paying a long distance charge. Anything over that we have to pay a long distance charge, that's added on to our monthly charge of our bill. We have been asking for years, this government, to increase the region, not to make the whole rural areas of Manitoba toll free insofar as long distance charges are concerned, but to increase the areas regionalwise and this government have not done this.

I remember, Mr. Chairman, when the Minister of Highways was responsible, I think when this government came into power, I believe the Minister of Highways was responsible for that utility, and there was talk then at that time about increasing the region whereby rural people could make calls without paying long distance charges to a few neighbouring towns. That has never developed, Mr. Chairman. And you know this Minister talks about the amount of capitalization that has increased, that we're allocating to the Telephone System, and I'd like to give him an example, Mr. Chairman, a number of years back in my own community, and probably this is almost unique or you don't hear of it very often, where we had two miles of road that was intended to be built by the municipality, it was a virgin trail, and it so happened that the telephone line was on municipal property. And I thought now here's a good opportunity when they had to take those poles out to put in the cable underground rather than replace the poles after the road was built, and this was two miles of road. And you know, Mr. Chairman, it was a long story but I can make it short for you.

I dealt with the Chairman of the Manitoba Telephone System and he says you know we deal with book figures, that a pole has so many years life span. And you know, Mr. Chairman, the road was built, the poles were put back in, and when the foreman in the local community submitted his report to the Chairman of the Manitoba Telephone System he was astounded to learn that the biggest percentage of the poles had to be replaced. This is what I found out afterwards. You knew the Chairman was so apologetic, when I came to his office, he said you know, we're going to look after this in the next few years and we'll take the poles out and put in a cable line underground. And I said, Mr. Chairman, I'm saying to you, sir, through to the Minister who is responsible for the Telephone System, is that the way you are running the Manitoba Telephone System? What do you have a foreman in the community for? You rely on your book figures, why don't you listen and coordinate your communications with a foreman in the community. He knows how many telephone poles are rotten, have to be replaced, and he will indicate that to you. And I want to say, Mr. Chairman, when we as a government talk about increasing our expenditures to providing a better service in our telephone system, I think this is in the area where we have to stop and look at the way the system is being administered.

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(MR. EINARSON cont'd)

I'm not being a destructive critic, Mr. Chairman, but I use one classic example, and I want to say to the honourable gentlemen in this House that on this particular project an employee of Manitoba Telephone System climbed to the top of a pole on a mile corner thinking that that pole was safe. It was rotten at the bottom and it fell, consequently that employee broke his leg. And this is the problem that was further hardship and cost to the taxpayers of Manitoba. So, Mr. Chairman, when I heard that the Public Utilities Board were astounded after all these years to learn of the horrible service, or the poor service that the Manitoba Telephone System was giving to the rural people of Manitoba; I thought they knew this for a long time, or a number of years.

You know, Mr. Chairman, I also heard in that report, and I'd like to ask the Minister, they're going to charge 25 cents if you make a phone call and you ask for a number for the operator to give you a number because it may be in the telephone directory, but you don't take the trouble to look it up. But they tell me, Mr. Chairman, that if a person is blind or has some physical disability there will be no charge against that person making that call. I wondered when I heard it over the radio in my car when I was driving home from Winnipeg to Glenboro, how do they know whether that person is blind or has a physical disability, you know, I just couldn't understand this. I'm wondering if the Minister has an answer to that? But that's exactly what I heard over the radio.

I realize costs in many things have increased, but the one complaint that I want to register, Mr. Chairman, to this government insofar as our rural people are concerned is they feel that it is unfair the long distance charges that they are assessed in the community in which they live as compared to the City of Winnipeg. And the reason, Mr. Chairman, I say this that the Province of Manitoba is almost unique in that we have at least 50 percent of the population in this province residing in one city. I suggest maybe that's not the healthiest situation because I can understand and sympathize with this government, because we could be in the same position, that it is not an easy thing to have to take care of. But nevertheless we have been asking and I have consulted with the officials of your Telephone System wondering when are we going to increase the region whereby more rural people will be charged less, or will be able to avoid the long distance calls. And I think that can be done. I don't have the information but I think that the Minister should be looking into this and finding out because when I heard of the Public Utilities were so surprised to hear of the kind of service that rural people are getting, I would have liked to have heard different comments from the Minister than what I heard from him tonight.

So, Mr. Chairman with those few comments I'd like to hear what the Minister might have to say.

MR. CHAIRMAN: The Honourable Minister of Consumer Affairs.

MR. TURNBULL: Mr. Chairman, it's always interesting to hear from the Member for Rock Lake. He represents the area where my wife's family come from and consequently I am quite familiar with the telephone service in that area, and I suppose it works out this way all the time. Everytime I have made a phone call from that area of the province I have had no difficulty getting through, no difficulty at all. I get perfect connection, there is no noise on the line and I just . . . it likely works that way, it works the same way as when I was in Berens River. I don't know if the Member for Rock Lake knows that in 1974 I went to Berens River because there was a great problem there with the communication within the local community, and the Telephone System had provided a program called TAP, or Telephone Assistance Program. This is a program that because there was no long distance line in, it was a system where the Telephone System provided the equipment and the people in the community were supposed to put in, with the help of the Telephone System, put in the local telephone lines and the exchange, man the exchange and do all the general work that needed to be done. But it wasn't working that well, trucks had taken down the line and what not and there was nobody there, no telephone people there of course, and the local people there were not maintaining it. So I was asked to go up and have a look at this system, and I did, and what

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(MR. TURNBULL cont'd) . . . they were interested in of course, in addition to communication within that community, within River, was getting out from Berens River to Selkirk and from there through to Winnipeg. There was maybe 15 to 20 people from the community with me and went into the church mission station there the priest maintained the radio. It's AM radio, AM in the spring and the fall is very susceptible to atmospheric interferences, the system will just go down and no one can get out. But they sat me down in front of this system and they dialed my office, and lo and behold it went through immediately, clear as a bell, no problem at all. And I guess it just seems to work that way, that when I'm in these areas, in the area where the Member for Rock Lake comes from, Berens River, Churchill, wherever in Manitoba, I just don't seem to encounter any problem in getting through on the Manitoba Telephone System.

But nonetheless, Mr. Chairman, it is very good to hear from the Member for Rock Lake. He seems to have some concern about telephone poles and I don't know when that story originated, how long ago, but I believe it was some time ago, perhaps 15 years ago. A long time ago. And I think since then there has been some decentralization of administration of the Telephone System in the province, and there is I believe more initiative taken by the people who are on the spot.

The other point that the Member for Rock Lake indicated was the need for the extension of the exchange areas, and I did indicate last year, Mr. Chairman, in debate on the capital estimates of the Manitoba Telephone System, that the System would be spending - this is last year I told him this - up to \$13 million for the extension of exchange areas. And that will be proceeded with, but I believe from what the Public Utilities Board has said, and from what other members have told me, and what people in rural areas have told me that the most important thing, really, is the reduction of the number of subscribers per rural line; because there's no point in being able to call great distances free of charge if in fact you can't get your call through because there's too many people on the line. But the meaningful exchange boundary program is one that has been announced, there has been clear announcement of that policy by the Telephone System, \$13 million are to be expended on eliminating exchange of boundaries and widening the exchange area. That program is in the works.

Mr. Speaker the Member for Rock Lake did get into a comparison of rates between the area he's from, Glenboro, a town I know fairly well, and Winnipeg. And again it was a pleasure to hear him, because I'm always interested in comparing rates and I notice here, for example, in rate group 3 where there is between five hundred and a thousand stations, a town the size of Gladstone, which should be comparable to Glenboro, the individual line rate is \$3.10, 15 cents tax, is \$3.25. If you go to a place like Newfoundland, it's \$6.00, same size community, same rating group. It is \$6.00 and 60 cents tax, for \$6.60. If you go to a place like Quebec, again individual line serviced, it's \$4.30 and tax at 8 percent, not 5 percent as here, making a total of \$4.64 as compared to \$3.26 here. If you go to Ontario, where the tax is, according to this, 7 percent, the total charge is \$4.60 compared to \$3.26 here. The fact is, Mr. Chairman, that telephone rates here, for all the rating groups are lower than they are in virtually every other jurisdiction in Canada; and that is another benefit that the telephone system has provided to Manitobans.

Mr. Speaker, I would like to be able to give some definitive answer to the Member for Rock Lake's question with regard to the 25 cent charge for directory assistance. That charge was approved by the Public Utilities Board, and the Utilities Board as a quasi judicial body, did not lay down any ground rules, really, for the operator being able to distinguish between who was exempt from the charge and who would have to pay the charge. But presumably a lot of these calls will be made from residences, and presumably there will be some possibility of identifying who the people are that are using the directory assistance and should not be charged. But the Utilities Board is putting a great faith in trust; and I think generally that Manitobans are trustful and that this system may work. But the Utilities Board as I say, did not lay down any definitive guidelines.

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(MR. TURNBULL cont'd)

Mr. Speaker I think that really deals with points raised by the Member for Rock Lake with the exception of the broken telephone pole which I really am not in a position to deal with.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. ENARSON: Well, Mr. Chairman, I can't let the Minister, I don't know whether he did it deliberately or whether he did it unconsciously, but you know, Mr. Chairman, the Minister was comparing the rates in rural Manitoba as to the rural rates in Quebec and Newfoundland. I was not going beyond the bounds of the Province of Manitoba. I was talking about the rural rates in the Province of Manitoba as opposed to the rates in the City of Winnipeg, and I thought that's the area which we're concerned about. I have no jurisdiction over the Province of Quebec, or the Province of Newfoundland. So, Mr. Chairman, I'm interested to know if the Minister would tell us what does it cost the subscriber in the City of Winnipeg for his basic telephone service as opposed to that person in rural Manitoba who has to pay \$3.16. That was my point, I can't say I could let the Minister off the hook on that one, I think that's the important issue here.

MR. TURNBULL: Mr. Chairman, I did believe that the Member for Rock Lake knew what Winnipeg subscribers are charged for a basic telephone. It has been \$3.90, it is now \$4.40, and it will be going to, when the new rates are effective, to \$4.90. That's the charge. Rating groups that I've quoted here are the rating groups that are used across the country; depending on the size or the number of telephones in an exchange, the rate varies; the greater the number of subscribers, the higher the rates.

If you'd like me to compare Winnipeg with other areas, I'm always pleased to do it. In Quebec, for example, the rate is \$5.20, in New Brunswick it's \$6.70, in Prince Edward Island it's \$7.15 and in Nova Scotia it's \$8.55, in B. C. it's \$5.45. Those figures are exclusive of tax, and again the rates that Winnipeggers pay as compared to what people pay in large urban centres in other areas are much lower here in Manitoba. I think we all should be proud of the fact that the Telephone System has been able over this last decade to keep rates for telephone service low.

Now, the Member for Rock Lake I gather would like to see larger exchange areas in his area, and that can be accomplished. I told him there's \$13 million available, I announced that here last year and that program will be proceeded with. When that occurs, depending on the cutoff point of the exchange area, the rates for people in this area will go up, but I am told that people in rural areas would be happy to pay a little more for the ability to reach more subscribers without paying long distance charges.

MR. ENARSON: Mr. Chairman, one final question then. The Minister has indicated \$13 million or thereabouts that are being allocated for increasing the regional areas that I've been talking about. Can the Minister indicate just what areas of rural Manitoba this is going to apply this coming year?

MR. TURNBULL: Mr. Chairman, I don't have that kind of detail with me and I don't have staff in the gallery, so I can't give him the scheduling of these boundary areas, but they will be proceeded with on the basis of demand, primarily, and on the basis of what appears to be the logical thing to do. Those communities that exist in different exchange areas where there is in fact a great community interest as between those two communities, there will be the provision of wider service calling areas. That basically is how the Telephone System will proceed in this way. But then, of course, there is other factors that the system must take into account, namely its capital construction program for other projects in those areas. As the member knows, if he's been talking to officials of the Telephone System, the System doesn't normally go in and do one particular program, it tries to schedule its work in such a way so that the crews that are there can do a number of different things, like conversion to dial as well as extension of exchange areas. But the money is there, the program will be proceeding without any doubt.

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

MR. GRAHAM: Mr. Chairman, I know the hour is getting late, but I couldn't

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(MR. GRAHAM cont'd)resist getting into the debate after listening to the Member for Fort Rouge, and the Minister's reply. I thought it was rather amusing, Mr. Chairman, when the Minister in his defence of his position with respect to cable in essence said if chicken stealing is legal on the part of the Government of Canada it should be legal for the Province of Manitoba. I'm sure that the Minister of Agriculture would be quite happy with that because he says then I can control through supply management the number of chickens and as long as there's enough chickens, chicken stealing will be quite all right. --(Interjection)-- He is a rooster all right and we will know in due course just how bad a rooster he is.

Mr. Chairman, the thing that does concern me is that what the Government of Canada is doing with respect to communications is a program that I do not condone and I believe is wrong and many people believe it is wrong. What the Minister is doing with communications here in the Province of Manitoba is also wrong and I believe that most people are of that opinion as well. The concerns that were expressed by the Member for Fort Rouge are very genuine, true concerns of every individual in this province. There is a very great danger when the government owns the entire system. The control of communication is a matter that is of very great concern. When we profess to defend the freedom of the press to say what they want, we should also at the same time defend the right of other media to do likewise. And there is a danger when the Minister says, well we used to just control the cable, now we're going to control the hardware. The next step is the control of who is going to use the hardware. In that sense then the control can be placed on what transpires. So I say there's a very grave concern in that field.

Now the First Minister asked me as an aside what was happening with the Telephone System in my area. I can tell the Minister that there is a concern about the slowness in the change from a multi-party line load in rural Manitoba. But I've found that the people in rural Manitoba are now almost giving up on waiting for the Manitoba Telephone System to change their system and they are themselves providing an alternate means of communication. If you don't believe me I would suggest you check with either the Government of Canada, or all you have to do is go downtown here to some of the radio stores and the hottest selling item in Manitoba today is citizens band radio. This is being used extensively in rural Manitoba where there is a problem with the Telephone System.

I can tell you my own personal case which goes back almost 15 years ago. I can tell you of my own case in my own farming operations and my brother's farming operations. We were hooked up with long distance telephone - we're only six miles apart but every time we had to make a call it was long distance. We sat down and analyzed what we paid in long distance telephone bills in one year and found it would more than offset the cost of the installation of the radio system. We've operated the radio system ever since.

On top of that the Telephone System at best was only average because many times, even though you wanted to phone, the line was not available for your service. So I say this, that the citizens themselves have in many cases found an alternate means where they found the Telephone System unsatisfactory. I would hope that every effort was made to change the rural system, where complaints are numerous, as quickly as possible. But the loss in revenue that is going to accrue from the use of citizens band radio will again tighten the spiral of rate inflation. We find that while the Minister points with pride to the rates here as compared to Prince Edward Island, was it, at \$7.00 or something, we may very well be putting ourselves in that position.

The warnings that were issued by the Member for Fort Rouge are certainly warnings that I concur with and quite frankly I don't know why the Minister is so hell bent on getting into other methods of communication, other than the telephone service, until he gets the actual Telephone System in top working condition. At that point then I can see him expanding into other fields but I suggest he look after his basic Telephone System first before he starts fooling around with a whole bunch of other stuff.

MR. CHAIRMAN: Telephone System \$49,500,000 - the Honourable Minister of Consumer Affairs.

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MR. TURNBULL: Mr. Chairman, I must reiterate, for the benefit of the Member for Birtle-Russell, the points that I'd made earlier. He seems to be concerned that somehow the ownership of hardware is going to lead to interference with the content of broadcast or cable signals.

Mr. Chairman, I just can't understand why it is that the member would take that particular path. The fact is, if he's been to the Fort Rouge Exchange for example, he will see that television signals coming into this province go through that exchange, come off the MTS microwave - hardware owned by MTS - signal goes along the microwave into the Exchange, it's adjusted for colour, tone, etc. and out it goes. No interference with the content at all. That has been going on since the provision of television broadcast signals in this province and there has been no question raised about interference with the content. The absence of interference with content will continue if the MTS expands its ownership of cable in this city and in other urban communities.

Mr. Chairman, not only has the Telephone System hardware been used for the provision of television broadcast signals it has been used obviously for the provision of telephone signals. Again the Telephone System has not interfered with the content of those millions of telephone calls that go along the telephone lines. The Telephone System does not interfere unless of course a court, a judge orders that this must be done for the protection of the public good.

Mr. Chairman, I don't know how many decades ago the Telephone System hardware was used to provide radio signals to Manitobans and there was no interference with the content of the signal. So I just, given this history, cannot understand what figment of the imagination is stirred up by the possibility of the Telephone System continuing and extending its ownership of cable hardware in this province. There will be no interference of the content any more than there has been in the past. There has been nothing in the past; there'll be none in the future.

The Member for Birtle-Russell also got into this whole bugaboo about the licensing of the user of the hardware. Mr. Chairman, I have said today and tonight in this House that the policy of the ownership of the cable by the Telephone System has nothing to do with licensing the user of the cable, a user-providing-entertainment-signal which is picked up off air. The right of the CRTC to continue to license people with regard to broadcast signals picked up off air and transmitted over to cable is unquestioned. That is a CRTC jurisdiction and I expect them to continue using their authority in that area.

MR. GRAHAM: Mr. Chairman, what the Minister chooses to ignore is that hide-bound philosophy that is so prevalent in the socialist ranks. They're not concerned with operating a system in competition with anyone else, they want to operate it exclusively. It is the exclusion of competition that is the number one concern that I have. If the Minister is not afraid of competition then fine. But he is saying no, there should be no competition. We are the only ones that can economically operate. Well I'm very glad to hear that somebody is talking about economics. But the economics that have been practiced by this Minister as shown by the financial statements since he's taken over Manitoba Telephones quite frankly scare the hell out of me. The economics that he has practiced certainly hasn't been shown. The Public Utilities Board expressed their concern quite well about the financial economics that is being practiced by this present Minister. So there is quite good concern for the exclusive policy that this Minister wants. He wants complete control to the exclusion of everyone else and that concerns me.

MR. TURNBULL: Mr. Chairman, as I said earlier I am delighted when Conservatives talk about socialism with regard to the Telephone System. Because of course the Telephone System here in this province was established by a Conservative Government. If the Member for Birtle-Russell is afraid of the light as he seems to be, then there isn't much I can do about it except cite to him the history of the telephone utility here.

Mr. Chairman, I want to take him up on the economics that he says he's out of his wits about. If he is scared out of his wits about the economics of the Telephone

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(MR. TURNBULL cont'd) System then I want to take him up on it and hold him to his word and the reverse of it next year when we look at the annual return of the Telephone System at that time. Because if he's frightened now then I'm assuming next year he will be delighted and he will rest easy and assured because of the economics of this Minister and the economics of the Manitoba Telephone System.

Mr. Chairman, he is concerned about the Telephone System having control over the cable system. Mr. Chairman, there is a very good reason for that policy and I have indicated to members already what it is. It is to avoid unnecessary duplication. That's the one policy. It is to encourage enterprise in local communities and to keep down capital investment by local entrepreneurs who want to get engaged in this particular business.

Finally, Mr. Chairman, it is important to have the Telephone System provide this service because, just as back in 1908 when the Bell System was not providing good reliable telephone service to Manitoba, the possibility of competition in cable hardware ownership and provision of cable hardware will mean much the same thing. There is no incentive or very little incentive for a private operator owning cable to go into the rural areas. He simply can't make enough money out of it. So what they will do is the same thing that Bell wanted to do here back in 1908 and years before that. They'll cream skim. They'll provide the service to the lucrative, high-density population areas and forget about the rural and northern areas of the province. That is not something that a Telephone System utility owned by the Crown should do and is not what the Telephone System in this province has done with regards to the provision of basic telephone service.

MR. CHAIRMAN: The Honourable Member for Thompson.

MR. KEN DILLEN (Thompson): I can hardly let the debate on the Manitoba Telephone System go by, Mr. Chairman, without saying a few words about service that's presently being provided in northern Manitoba, nor can I ignore the fact that the Member for Birtle-Russell gets the hell scared out of him when he refers to the operation of the Manitoba Telephone System as some kind of a socialist scheme. When he talks about having the hell scared out of him I think that he was reported in the press just recently of using the same terms about the lights out in front of the Legislative Building. So I can judge from that that it doesn't take very much to scare the hell out of him. That probably accounts for the colour of his hair. I gather from the remarks that he made that if he says that something scares the hell out of me tonight then I'm going to get my name in print again tomorrow. But the fact of the matter is that you can only say words like that once a session and hope to get it in print.

The Public Utilities Board were invited to come up north and hold a hearing at the same time that this hearing that we're talking about in the House tonight was being discussed. They were invited up. We appealed to them to come up to northern Manitoba when they were talking about the expenditures of the Manitoba Telephone System. But they didn't choose to come. And do you know why? Because they would have heard stories, horror stories about the conditions that existed in northern Manitoba when they were only dependent upon other forms of communication, particularly wireless or radio. If you were a sick person or injured or an expectant mother or somebody that was living in a remote community and the only communication you had was the radio and the kind of horror stories was watching someone die, because there was no way of getting word out to have an aircraft or any assistance come to the help of people up North. Those were the conditions that existed in those days, and you know the kind of service that is presently being provided it's not in all locations at the present time but the telephone system, I believe, is moving as fast as finances that are passed in this Legislature will allow, to provide telephone communication by microwave to as many communities as humanly possible every year. And, you know, members opposite only have to experience once in their life the occasion of a person making the first telephone call from a community to find out just how great that service is appreciated by people who never had the service before, and . . .

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MR. CHAIRMAN: Order please. In order to continue the transcription it's necessary to change the master tape, the committee will recess for a couple of minutes. The Honourable Member for Thompson.

MR. DILLEN: The Public Utilities Board at the time of the hearing, while they were holding those hearings in rural Manitoba, southern Manitoba, seemed to be pre-occupied at that time, and rightfully so, because of the concern that was expressed by rural people who are on multi-party lines, but they didn't take into account, nor did they allow for the people who have experienced years and years of no service at all, the opportunity to express their views. How can you get a person from Island Lake come down into southern Manitoba at their own expense to make representation before the Public Utilities Board? That's impossible. You know who's going to do it? The Public Utilities Board has a responsibility to hear the briefs and representations from all people of the province, not just those in those areas that are presently served, but also from those areas that do not have any service whatsoever, and let them make the comparison on that basis, whether the expenditure should be made to reduce the number of people on party lines as compared to providing a service to people that have no service at all. That's the kind of comparison that should be made. I think that the Telephone System is operating in a manner that is attempting to provide service or the priority in reducing the number of people on party lines. That's commendable, I believe it's necessary, it has to be done. But the Telephone System also has to make available the kind of expenditure that will provide the service to everybody in the province.

The radio telephones and radio equipment in northern Manitoba at the best of times, under the most ideal conditions will only work about 15 days out of a month, and it is bound to happen that when you need the service the most, they, because of atmospheric conditions, can't be used; and that usually happens when somebody is ill, injured, dying and needs medical attention. So that the expenditures that are being requested here tonight are not all for the kind of equipment that the Member for Fort Rouge calls exotic. My God if you're going to refer to exotic equipment, just the fact that a telephone is available to you is damned exotic for people that never had one, particularly in an emergency situation, and if that is socialism, if that is socialism, I'll accept the name of socialism, and I'll accept that the people on the opposite side of this House are going to call me a socialist, if I am preoccupied with providing service to people who do not now have service, where the graves are full of people who could not get service when it was critical, when it was required, medical attention. I suppose if you follow that same pattern of thinking that the placement of airstrips in northern Manitoba was some kind of socialist plot, and if that's a socialist plot I'll accept the fact that it's a socialist plot if you want to call it that, but that is service to people, and if that's socialism, that is what I'm all about, that's what this Party is all about. You know, how can you constantly condemn everything that is being done or every expenditure that is being requested on this side of the House on the basis that it is some sort of a socialist plot . . .--(Interjection)--Your other member did, the other members did.--(Interjection)--Yes.

MR. CHAIRMAN: Order please.

MR. DILLEN: You know the members on that side of the House, the Member for Fort Rouge, talking about jurisdictional problems, you know when there was other jurisdictional and constitutional problems raised in this House, this session, not once did one member of the Liberal Party get up in his place and condemn the Federal Government for not exercising their constitution and jurisdictional rights in this province or any part of Canada. Not once. But on the question of cable, because, Madame Sauve took the time to come to Manitoba and speak and attempt to politicize the Liberal Party into taking that position in the House, you know then they take the position.--(Interjection)--Some of your members did.

A MEMBER: What about responsibility?

MR. DILLEN: . . .If you want to talk about responsibility, where was the responsibility exercised by the Conservative Party in this Province when the people were still crying out, demanding telephones in northern Manitoba, where was the responsibility then? They have been getting telephones annually every year. That is responsibility, that is socialist responsibility. But there is a lot more that needs to be done in the

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(MR. DILLEN cont'd) northern area with regards to providing service to bring about some kind of equality in the province, equality of service. I have attended in two areas when the first telephone call was made out of a remote community. I don't think that you could even recall what was taking place, their appreciation of the fact that a telephone was coming in. It was just too long in coming. They have been told for years that - you know every time there is an election, we're going to put a telephone in, every time the Conservatives were coming into northern Manitoba at election time they were saying that we're going to get you a telephone, you know dial telephone system or something. They didn't get it until this government came to power and this government decided to accept its responsibility and this socialist government started to put the kind of services into northern Manitoba that were needed for the people that were there. That's when it started to happen, not under the Conservatives.

MR. CHAIRMAN: Manitoba Telephone System \$49.5 million--pass; Manitoba Water Services Board \$3 million . . . The Honourable Leader of the Opposition.

MR. CRAIK: Mr. Chairman, there's also an item down below on Municipal Sewer and Water Systems. I wonder if the First Minister can give us a rundown on the projects anticipated under these items.

MR. CHAIRMAN: The Honourable Minister of Finance.

MR. SCHREYER: Mr. Chairman, the Minister responsible I think can give a breakout on that. The only difference between the two items, I might point out to the Leader of the Opposition, is that the top line is Grants and the bottom line is Loans, and if it's okay we would prefer to deal with both in tandem at this time.

MR. CHAIRMAN: Manitoba Water Services Board. The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): Mr. Chairman, I don't know whether the member asked for the projected projects for the year or the past projects completed.

MR. CRAIK: --(Inaudible)

MR. USKIW: By the appropriation, grants granted for, we have some 22 communities that we anticipate being involved with, for the sum total of some \$6.4 million the explanation for the additional amount is a carry-over from the previous year. If the member wishes I can name the communities that we anticipate being in. All right. At least tentatively, and this is something that could change in the course of the month's ahead, depending on the readiness of any particular community. But we have on our tentative list in any event: Ste. Rose, Souris, Ile des Chênes, Grand Rapids, Manitou, Elm Creek, Rivercrest, Maidenfeld, Ste. Jean Baptiste, Morris, Ninette, Starbuck, Treherne, Sanford, Stonewall, Tyndall, Reinfeld, Bowsman; and then we have no determination for an amount of about \$2 million. Those we are certain of and the others we are not. Now we do have Fisher Branch, Boissevain, Ste. Anne, Lorette, under consideration as well but the engineering reports are not yet in on those.

MR. CHAIRMAN: Manitoba Water Services Board \$3 million--pass. Did the Minister of Finance wish to deal with the item in Schedule B at this time?

MR. SCHREYER: They were dealt with together.

MR. CHAIRMAN: Manitoba School Capital Financing Authority \$18 million. The Honourable Leader of the Opposition.

MR. CRAIK: This item is the same as the amount appropriated last year. Does this \$18 million reflect the total expenditures for schools this year or is there a carry-forward?

MR. CHAIRMAN: The Honourable Minister of Finance.

MR. SCHREYER: There is a carry-forward, Mr. Chairman, of \$8 million from last year, there's \$18 million involved in this request for authority, \$18 million, and a carry-over of 8 million and 50 thousand, and 5 million available by way of principal repayments by the school divisions, leaving an authority all up of \$31 million, and that is the anticipated program.

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

MR. GRAHAM: Can the First Minister indicate how much there is there for the Seine River School Division?

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MR. CHAIRMAN: The Honourable Minister of Finance.

MR. SCHREYER: Seine River School Division, there is an amount postulated of about \$800,000.00.

MR. CHAIRMAN: The Manitoba School Capital Financing Authority \$18 million--pass; Manitoba Mineral Resources Limited, \$638,000. The Honourable Member for St. James.

MR. GEORGE MINAKER (St. James): Mr. Chairman, through you to the Honourable First Minister or the Minister responsible for Mines. In the Minister of Mines' opening remarks of his Estimates he indicated that the government had committed itself to \$4 million in expenditures for exploration and I believe the Minister's comments were that \$1.9 million had been expended to date. Further to that I understand there's also \$8 million commitment on a 50-50 basis with the Federal Government. That would total I think to something like an outstanding \$3.1 million expenditure for this year. Is there any other area where this capital would be covered in or could the Minister explain?

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: Mr. Chairman, the \$4 million expenditure that I indicated was committed for Mineral Exploration would include the amounts that are referred to in the agreement between the Federal Government and Manitoba, which is a four year agreement, \$2 million a year. This particular item is the allocation to Manitoba Mineral Resources Limited. This is not included in those figures that I gave you. You will recall that the Manitoba Mineral Resources has a budget of approximately \$500,000 a year and that had to be increased because of inflation, and it also had to be increased because at one time they were required to pay interest on previous amounts. That is now changed, they are now being financed by way of unconditional grants. But this amount is the authority required for Manitoba Mineral Resources Limited. I have the programs, I will be calling Mr. Kaufman before Committee and perhaps that would be a better time to deal with the programs in detail.

MR. CHAIRMAN: Manitoba Mineral Resources Limited. The Honourable Leader of the Opposition.

MR. CRAIK: . . . on that is the government becoming involved in the Uranium Exploration Program or is that the joint program the Federal Government referred to?

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: The Uranium initial program, that is the program which led to the anomalies which have sort of inspired the exploration was part of a joint Manitoba-Canada program. It's the Canada part of the program that did the mapping for the Uranium anomalies. Now, both Manitoba Mineral Resources Limited and our regulation program may involve us in explorations, as a matter of fact I'm sure that they would. If any companies are following up that Uranium anomaly and filed an exploration program, we undoubtedly will be 50 percent of that exploration program. Also Manitoba mineral may be involved in the Uranium exploration but you could probably get better details from the president of the corporation.

MR. CHAIRMAN: Manitoba Mineral Resources Limited, \$638,000--pass; Manitoba Housing Renewal Corporation \$15 million. The Honourable Leader of the Opposition.

MR. CRAIK: Mr. Chairman, there's an item here of \$15 million and down below there's an item of \$6.3 million under Direct Government Programs - Housing. First of all the question is to differentiate the meaning of the two categories. Second is that the government announced in its programs this year a \$75 million housing program, I think it was. Is there other moneys available that would make up the difference between what's here and the program announced?

MR. CHAIRMAN: The Honourable Minister of Finance.

MR. SCHREYER: Mr. Chairman, about the best way to indicate the distinction between the main item of \$15 million and the \$6.3 million is that the \$15 million requested authority is for the conventional application of the Manitoba Housing and Renewal program, conventionally financed as it's been over the past years. The \$6.3 million is put in Schedule B because it is not the kind of debt financing which is in a sense recovery as in Schedule A but rather it provides for approximately \$500,000 for innovative housing projects

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(MR. SCHREYER cont'd) in remote and northern and isolated communities of \$500,000 and an amount of \$5,800,000 with respect to housing programs which we may be able to proceed with which may not meet with the approval or concurrence of CMHC criteria. Not substandard, but different, I'll put it that way.

We have indeed encountered in the past, opportunities, not on a big scale but on a small scale, for proceeding with innovative housing which we were not able to proceed with or we didn't feel it was proper to proceed with because the financing would have been other than was really voted in this House under Schedule A. So I'm not guaranteeing that we will indeed be deploying all those funds in which case there would be a residual at the end of the year and which would be reported on at the next session.

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

MR. GRAHAM: Mr. Chairman, first I would like to ask the First Minister if there was any carry-over from last year in unexpended capital authority under Manitoba Housing and Renewal.

MR. CHAIRMAN: The Honourable Minister of Finance.

MR. SCHREYER: There was a substantial carry-over and that is why even though we still intend to proceed with a fairly major program, fairly substantial program this year, we are asking for only \$15 million in authority. I say "only" in the sense that while it's \$15 million, that is in relation to a program which we hope will be in the order of some \$70 million. This means that there is indeed a carry-over of uncommitted existing authority in the amount of approximately \$59 million which has accumulated over the past few years, primarily in the last year.

MR. GRAHAM: Can the First Minister explain why after a contract was let for a senior citizens' housing unit in Binscarth that the contractor was asked to postpone construction indefinitely because, as I understand it, it was reported there was a lack of funds.

MR. SCHREYER: My colleague, the Minister of Urban Affairs and Housing, is here. If the honourable member is getting down to specifics of a project of X units in Binscarth, for example, then he may and I wouldn't be surprised if he wouldn't be able to just deal with that very specifically. I would ask the honourable member if he is precisely sure that the reason for postponement was because of unavailability of funds or whether it may have been indeed some other reason.

MR. GRAHAM: I'll direct the question then to the Minister in charge of Housing. As I understand it, and I may not be absolutely correct on the facts, but after a contract had been signed and a contract awarded, the contractor was asked to postpone indefinitely the commencement of construction on the senior citizens' housing in Binscarth. It is reported that the reason was because there was a lack of funds available.

MR. CHAIRMAN: The Honourable Minister of Urban Affairs.

HON. SAUL A. MILLER (Minister for Urban Affairs) (Seven Oaks): Mr. Chairman, I can't confirm the statement made by the member. It would be highly unlikely that the contract was awarded and the contractor was then asked to stop work. I can't see that happening unless he started without a contract in which case he might have been told. I assume this was last year. Certain projects were planned and might have gone ahead but as I indicated to the House during my Estimates I shifted the emphasis to Winnipeg and as moneys became available from CMHC we went all out in Winnipeg and as a result we built more units in Winnipeg than in any previous years since 1972. I make no apologies for that.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, I have a similar situation, not identical to the Member for Birtle-Russell. But in the Village of Cypress River where they had applied about two years ago to build a senior citizens' housing and the reason that the Manitoba Housing and Renewal Corporation gave to the people in that area, the Federal Government had reduced the contribution substantially. I find it rather interesting to hear the First Minister say that there is a surplus of funds in the Manitoba Housing and Renewal Corporation as of last year.

The story that we were given, and the people in that area were given to

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(MR. EINARSON cont'd) understand, there was a shortage of funds and this was the basic reason why they could not proceed under that policy. In Cypress River now they are coming under a different setup where we have to come under the Central Mortgage and Housing Corporation, under a different section of the Act. I find it rather interesting, Mr. Chairman, that the First Minister should tell us that there's a surplus under Manitoba Housing and Renewal Corporation. I just don't understand the comments made by the First Minister and the Minister of Urban Affairs when he says that the priorities are going to be emphasized in the City of Winnipeg. I have no quarrel with looking after the people in the City of Winnipeg but when I hear comments like this from the First Minister and another colleague in his Cabinet, I find this rather strange.

MR. CHAIRMAN: The Honourable Minister of Finance.

MR. SCHREYER: Mr. Chairman, I don't blame the honourable member for finding it strange because I suppose the fault is mine. When I indicated, as I did, that we are asking for an amount of capital authority of \$15 million, then I was asked by, I believe the Member for Birtle-Russell, was there any carry-over. I said "Yes, indeed, there was significant carry-over which explains why the request of authority this year is relatively low in relation to our proposed program." I should have added one further sentence: that the voted authority which may be carried over from one year to the next does not by itself indicate availability of funding, in the sense that we have to vote the authority in order then to make our arrangements with CMHC. It is entirely possible that this Legislature might vote, let us say, in a given year, \$25 million of authority. But if CMHC's quota of mortgage financing is in the order of \$12 million then the amount of authority that we will actually use will be limited by that. The rest remains not as funds but as available authority, part of which remains unrealized and is carried over to the next year. So we can vote as much authority here as we like. One of the limiting factors is the availability of CMHC financing.

MR. EINARSON: Mr. Chairman, then I'm wondering if it's a fair question to ask the First Minister or the Minister of Urban Affairs as to the \$15 million here under Manitoba Housing and Renewal Corporation; could he indicate just where or what projects is that amount of money being allocated to?

MR. CHAIRMAN: The Honourable Minister of Urban Affairs.

MR. MILLER: It isn't a particular project. It's hoped that this year will see a fairly substantial building program. It hasn't been finalized. Certain submissions have gone to CMHC and at this date approximately \$22 million has gone forward but we have not yet received final word from CMHC, with the exception of about four projects which are I think pretty well down the line.

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

MR. GRAHAM: Mr. Chairman, I would like to ask the Minister in charge of Housing how much was paid last year to MBS Construction for Manitoba Housing and Renewal work?

MR. CHAIRMAN: The Honourable Minister of Urban Affairs.

MR. MILLER: Mr. Chairman, I will gladly get the information but I haven't got it with me. I have to get that from MHRC.

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MR. CHAIRMAN: Manitoba Housing and Renewal Corporation, \$15,000,000--pass. Is it the wish of the committee to pass General Purposes (d) Housing under Schedule B--pass; Manitoba Development Corporation, \$19.6 million - the Honourable Member for River Heights.

MR. SPIVAK: Mr. Chairman, I'd like to make one short comment and I think it has to be made. I think it's rather appropriate that the Capital Authority approval came up following the meeting of the Standing Committee of Economic Development tonight. If ever there was a justification, Mr. Chairman, for the need for a change in procedure with the way in which we deal with the Crown Corporations, which in the main make up the basic funding that is now required by MDC, it was demonstrated by the presentation of the Chairman tonight.

The details of what took place will probably be debated in the days to come and my purpose isn't to deal with that. My purpose is to indicate that a change in direction in the approach that we take in this Legislature is necessary, not just for our own determination but for the benefit of those who are the directors of the company, for the directors of the Manitoba Development Corporation and for the government.

Mr. Chairman, there is a need for the committee to be reorganized - that is the Standing Committee on Economic Development - to be able to deal with the Crown Corporations and to have presented to it annually an accounting audit and a management audit. The management audit should be one that will have first been presented to the directors of the company and further to the directors of MDC and available to the government. The management audit should be a compulsory audit to be undertaken, to be presented to the Standing Committee on Economic Development.

Mr. Chairman, I suspect that if that management audit had been undertaken that at a very early stage some of the problems that obviously arose with respect to Flyer would have been determined and the government at the time would then have had to make a decision as to whether the viability of the operation was justified on economic grounds or whether the determination of its continuation was simply a matter of trying to achieve some social policy that would have been resolved at the time.

The difficulties, Mr. Chairman, that I see is that with probably all the good intentions of the world of a number of people who were trying to create an industry, the lack of the experience and the problems of organization and the problems of dealing in a very highly competitive industry have put the company into a position of substantial jeopardy. As a result there is a substantial loss that is shown now and I believe the loss will be higher.

So, Mr. Chairman, very simply in terms of this debate the time has come for the procedures to be changed, for a management audit to be compulsory, for the government to have access to that management audit, I believe that would signal a lot earlier any problems of organization that may have occurred and would be occurring and would assist the government in its determination, the MDC, and it would be very important for the understanding of the Standing Committee and would be a check and balance that is necessary in relation to the Crown corporations and the funding that is required through Capital Authority that is asked for, not necessarily in this amount, but in the procedures that we follow in the House.

I say, Mr. Chairman, that having witnessed what took place tonight, the information that was furnished, having read the Hansards of last year and the year before and the answers that were given then and the information that was supplied, the need for the management audit and the accounting audit is imperative. Otherwise we are going to continually get ourselves in this kind of a mess and we will have problems galore in attempts to finance industry where, in effect, the political realities at different times can be an embarrassment to a government, to any government, because of the inability of the company to be able to manage its affairs or because of problems that have arisen.

I'm not suggesting that a management audit will in any way solve something that's been inadequately planned, something that is not marketable, something that is badly organized. But a management audit would, in fact, provide at least an early signal to what is happening and would mean at least for the committee's purposes, for the Legislature's purposes and for the government's purposes, that at least there is full knowledge of what really is happening.

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MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. CRAIK: Mr. Chairman, of these amounts that are requested here, two questions. The amount requested is 19.6, last year it was 32.5. Can he indicate first of all what the carry-forward would be? Secondly, of the amount anticipated to be used here as capital, how much of that would be used for investments coming up this year and how much to subsidize the present commitments of the Fund?

MR. CHAIRMAN: Honourable Minister of Mines.

MR. GREEN: Well, Mr. Chairman, the projected amounts that are - I'm putting them in a global sense - are for \$6 million regular loans, \$10 million in investment loans, and a possible \$4 million in guarantees, which is a total of \$20 million. There is a \$26 million uncommitted authority from before, which leaves an amount of money in the neighbourhood of \$26 million, Mr. Chairman, and I can only say to the honourable members that of necessity, I cannot be too detailed about what this amount of money is for, but I can tell the honourable member that it is not for existing portfolio, and it is very unlikely that it will be used, but the authority has to be there in the event that that one, two, or three, or four things that are being looked at may materialize; that the Board is still involved in considering propositions, in considering things; the other funds are considerably lower than have been demanded, or asked for in previous years. I am still hopeful and I will concede to the Honourable Member for River Heights, that projections have not materialized, and I'm just as disappointed about it as he is. I doubt very much whether his suggestion will have a great deal of effect. I found that the information that was given by the Chairman was very acceptable and very good, where the companies were doing well, that it is not the information that was given by the Chairman that is the problem, that there are problems with the operation of certain things that we have gone into. The information that was given by the Chairman on Dormond Industries was very acceptable to honourable members. The information that was given on Pheonix Data was very acceptable.

In any event, I don't want to debate that with my honourable friend. He has made his point. I doubt whether that is our solution. I think that the basic solution to these problems is to first of all have a project that has a chance of being viable and then have good management running it. I think that the suggestion that there be a Management Consultant's Report dealing with the existing management at Flyer is going to merely get somebody off the hook. I mean the auditor can make that suggestion. I can make that suggestion, and answer you by saying that they were having a Management Consultant's Report. But we've had that, and Mr. Chairman, we had it specifically with regard to one case, where the people who we are involved with, are now very very determined that they feel that that report was a waste of money and they don't want to consider paying for it. I am not going to go into detail with it, but you can be consulted to death. What you have to have is a project that is viable, and you have to have good management; and some things have turned out better, and some things have turned out not as good and I will concede that we have problems. I don't think that the Chairman gave information which didn't indicate that we have problems. He indicated how they are being dealt with.

I'm trying to answer the Member for Riel, I have left the figure of \$26 million, blank. I can tell you that the figure that I have left blank is not for existing enterprises. I am hoping, but I can't guarantee, that there will be no further cash funds required for Flyer, for the 1976-77 year. When I made the announcement in October I was given to understand, by the only people who I can get the information from, that is the MDC Board and the Flyer Board, and the expertise that is available to us, that the \$5 million approximate that we gave at that time would carry the cash flow for the orders now on hand. It has been since indicated that there has been a line of credit which had to be established because of orders from San Francisco, and the strike situation, but that line of credit has not been drawn upon.

So, none of the figures as they are here are for dealing in a substantial way with the existing accounts. I can't say that some moneys wouldn't be advanced to one firm or another firm we are now dealing with, out of these amounts, but not to the Flyer and that I repeat is a hope and an aspiration; not to the Saunders account; not to other accounts, unless indicated by the Chairman at Committee today, that certain additional

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(MR. GREEN cont'd). . . .moneys are required for those accounts.

So there is an uncommitted authority for things that the Board are looking at. I am not able to say that they are materialized or near to being materialized, but the capital funds are required. The capital authority is required. We are, I repeat, significantly less in our Capital Authority request than we have been in previous years.

MR. CHAIRMAN: The Honourable Member for River Heights.

MR. SPIVAK: Yes, I wonder if the Minister can indicate whether in the - you mention one to four projects that you may be considering for which, one to four projects that may be considered.

MR. GREEN: Mr. Chairman, I deliberately said that in the hope that I wouldn't mislead. It could be one project, it could be two projects, it could be three projects, it could be four. I said that to indicate that I'm not telling you how many projects, okay?

MR. SPIVAK: Could the Minister indicate whether the possible investment in a lithium plant and Tantalum would be one of the considerations within the. . .

MR. GREEN: Mr. Chairman, frankly, I forget. I just forget at this point. We will be at the MDC in the operations in my own Estimate, and if the member will remind me at that time, I will give it to him. Frankly, I'm thinking that much of the initial investments in Tantalum is taken care of by the cash flow of Tantalum, but that can't carry forward if they need the \$15 million for the lithium project, so it may well be that when they have those loans listed there, that they may be considering the lithium project. In any event there is enough global authority to deal with that problem.

MR. CHAIRMAN: Manitoba Development Corporation \$19.6 million--pass. Manitoba Forestry Resources Limited \$3.8 million. The Honourable Leader of the Opposition.

MR. CRAIK: Mr. Chairman, maybe the Minister could indicate what this 3.8 is for.

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: Mr. Chairman, I can give you that figure. New Commitments, Roads, \$682,000; Upgrading existing roads, \$20,000; Clearing off the roadways, \$8,000 - I wonder if you can pardon me a moment, I just don't recall the distinction between the 3 million and the 4 million. I'm going to read a list of the total of 8 million, oh, excuse me, I'm going to read a total of 4.8 of which they will find 1.8 in their cash flow. Woodlands Mobile Equipment, \$229,000; Woodlands Camps, \$251,000; Lumber Division, mobile equipment, \$49,000; Lumber Division, fixed equipment, \$148,000; Pulp and Paper Division, \$500,000, to meet environmental standards; Pulp and Paper Division, mobile equipment, \$38,000; Pulp and Paper Division, modification to No. 2 press, \$175,000; Pulp and Paper Division, modifications to increase safety \$182,000; Pulp and Paper Division, major repairs to equipment, \$576; numerous small capital purchases \$144; cost increases due to inflation on major capital projects: No. 2 Power Boiler, \$994,000; No. 4 Pulp Washer, \$155,000; New Evaporator, \$247,000; Hardy Gravity Sand Filter, \$79,000; Reject Log Chipping System, \$245,000; Chip Relay System \$131,000.

Now, I want to tell my honourable friend that when the capital request came in, and there were more than this, I tell you that my bias was that they should go into operation, which would mean that the expense feature of the company would be higher and the loss would be higher. That was my own bias, But in order not to reflect the bias, I asked the auditor to go over with the Chairman of the Board the list to see whether they were genuine capital items and that if he could convince the Provincial Auditor that they were capital items, they would go into the capital authority. So, my recollection is that this is the in payment between the Provincial Auditor and Mr. Hogenson, the Chairman of the Company, that these are legitimate capital items. I tell the honourable member that my bias would have been that they go into the operations, or some of them in any event. That would increase the operating loss and the items would be amortized over a longer period of time. Some of them look pretty small to me, to be capital, but they've been agreed to, yes.

MR. CHAIRMAN: The Manitoba Forestry Resources Limited \$3.8 million--pass. The total for Schedule A \$310,238,000--pass.

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(MR. CHAIRMAN cont'd)

Schedule B, Educational purposes, (a) Community Colleges--pass;(b) Universities--pass. The next one we have passed. Water Control Works 1.26. The Honourable Member for Morris.

MR. JORGENSON: Mr. Chairman, I wonder if the Minister would - I'm not asking him to recite the projects that are contemplated for this year, but I wonder if he could provide members of the Committee with a list of those projects that are contemplated this year some time during the course of the next few days.

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: Well, Mr. Chairman, I thank the honourable member for making the question easier than I thought it was going to be. I've been with this department for several years. I have never really understood the distinction of which parts of the project go into capital and which parts go into operation because we have Water Control Projects in both. There has always been a certain segment of the projects in the capital, or what they call capital carry-over. The total program costs which are requested for 1976-77 are \$8,628. They are funded from current appropriation \$7,368,000, leaving a capital authority requirement of \$1,260,000. I will have for honourable members a list of all of the operational programs here. I will have a list of the \$8,600 when we come to my Estimates.

MR. CHAIRMAN: Water Control Works--pass. General Development Agreement \$9.224 million. The Honourable Leader of the Opposition.

MR. CRAIK: Yes. Could we get an explanation of this one, Mr. Chairman?

MR. CHAIRMAN: The Honourable Minister of Finance.

MR. SCHREYER: Mr. Chairman, under General Development Agreement, last year there was an amount approved in the order of \$9 million, and this year we are requesting authority in the order of \$14 million. This has to do with the following items: For example, Fire Protection Prevention, northern communities, \$140,000; Community Sanitation Facilities, this is for a rudimentary form of sewage and/or water facilities in certain smaller northern communities, \$1,084,000; Surveys and Mapping, and this is all north of 53, \$100,000; Highways Construction, this would be roads to resources, roads to northern communities and/or improvement of roads in northern areas, \$8 million; and Airstrips, I said \$14 million, it comes to \$9 million, \$9,224,000. So, the ones that I have just enumerated, if my honourable friend will add them up it should come to \$9,200,000. So, that's it. And on this amount there will be recovery from the Government of Canada on the basis of approximately 60 percent of the said amount.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. CRAIK: The major one there, the ones you gave me I didn't add up to more than about a million.

MR. SCHREYER: Well, the main one that you missed, is for \$8 million, which has to do with roads to resources, roads to northern communities, or upgrading of existing pioneer standard roads.

MR. CHAIRMAN: General Development Agreement, \$9.224 million--pass. General Purposes (a) Health and Rehabilitation \$4.378 million. The Honourable Leader of the Opposition.

MR. CRAIK: Mr. Chairman, on this one, how do you, well perhaps the most direct thing is to indicate and ask the Minister directly what this involves in.

MR. CHAIRMAN: The Honourable Minister of Corrections.

HON. J. R. (Bud) BOYCE (Minister responsible for Corrections and Rehabilitation)(Winnipeg Centre): Mr. Chairman, I give you a breakdown on behalf of my colleague the Minister of Health, part of this is a grant of \$112,000 for the Society for Crippled Children and Adults, this is the last amount on the five year program for the total cost of \$560,000. In Field Service Office Renovations \$150,000; in Capital Costs relative to the Children's Dental Plan it is \$471,000; for the Brandon Mental Health Centre it's \$742,000; for the Selkirk Mental Health Centre it's \$68,000; for Community Mental Health Residents in Manitoba School for Retardates it's \$500,000; and for Adult Corrections relative to the Headingley Correctional Institution in Brandon it's \$770,000; in Juvenile Corrections for Cottage Facilities \$175,000; for the Manitoba Home for Boys \$140,000; for Remand Centre

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(MR. BOYCE cont'd). . . . for anticipated possible costs in relationships that are being worked out by the City of Winnipeg \$250,000. There is a change in policy relative to the Alcoholism Foundation. The capital that was considered current in the past it is now being considered as capital and will go through the usual processing by presentation to Management Committee to Cabinet, and what is being asked is \$1 million in this area, Mr. Chairman.

MR. CRAIK: I wonder if the First Minister could indicate where expenditures called Capital Expenditures would come under on projects such as the Seven Oaks Hospital.

MR. CHAIRMAN: The Honourable Minister of Finance.

MR. SCHREYER: Well, Mr. Chairman, the reason that particular item doesn't appear here is because that is financed under the authority of the Manitoba Health Services Commission, and we do not vote the authority for that here.

MR. CHAIRMAN: General Purposes (a)--pass; General Purposes (b) Regional Street Construction Branch \$5,000,000 - the Honourable Member for Morris.

MR. JORGENSEN: Mr. Chairman, I should like to ask the First Minister if any of that allocation of \$5 million is designated for Public Works in the Town of Morris.

MR. SCHREYER: Mr. Chairman, I would not have that detail broken out here. But I would hope that, in the event that we can find it at the time of consideration of the bill that follows the voting of the Supply, at the bill stage that we will make a note and bring that information.

MR. CHAIRMAN: General Purposes (b)--pass; General Purposes (c) Public Works \$27,466,300 - the Honourable Leader of the Opposition.

MR. CRAIK: I wonder if the First Minister could indicate here whether there's any major Public Works that are being undertaken under this.

MR. SCHREYER: Mr. Speaker, I warn the Honourable Leader of the Opposition that it's a long list. But to take it literally, major, I would suggest the following would be major. There is an amount of \$1,200,000 relating to the Courthouse at The Pas. We simply must do something there because of the report of the Fire Commission's office. So we have to request the authority to build.

The Dauphin office building is \$4,080,000 in respect to a Dauphin Regional Office Building; MPIC, MVB \$5.5 million; Magistrate Court --(Interjection)-- I beg your pardon? Motor Vehicle Branch. Magistrate's Court, \$1.6 million; Central Laboratory - the laboratory facilities which are housed now at the Norquay Building, which was a functional enough arrangement but not an optimum arrangement, will be moved from the Norquay Building to a laboratory that will be built for the purpose, that \$1.9 million; Red River Community College, a certain extension there, \$1.6 million; with respect to the Gimli Industrial Park an amount of \$4,000,000; and Central Provincial Garage - this is really for a body shop and also a storage yard, \$1,000,000. That gives the major items. Then there's a longer list of miscellaneous items averaging - there's \$35,000, \$90,000, etc. There's thirty items in all.

MR. CHAIRMAN: The Member for Birtle-Russell.

MR. GRAHAM: I would like to ask the First Minister why Red River Community College would be listed under Public Works when we already have an item for community colleges further up on that list.

MR. SCHREYER: Yes we do, and in order to ensure that there is no double counting I would ask the Deputy to check whether there is any item under community colleges proper which would in any way relate to this \$1.6 million. For example, in the item under the Community Colleges, \$1.5 million - I'm sorry, I'm going to have to pause here and ponder. It's difficult to reconcile these figures.

All right, Mr. Chairman. Mr. Chairman, with respect to the item which reads \$1,578,700, I can advise the Honourable Member for Birtle-Russell that it is comprising of the following: Assiniboine Community College, \$250,000 at Brandon; Keewatin Community College, \$250,000 at The Pas; then \$8,000 with respect to minor renovations and construction, \$8,000; \$303,000 with respect to Red River Community College; \$10,000 with respect to Assiniboine Community College. This is not expansion now but rather renovation: \$256,000 at Keewatin Community College. That provides a total of \$1,578,700.

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(MR. SCHREYER cont'd)

Now with respect the item which shows up in the Public Works list at \$1,667,000; there's \$67,000 for roof repair; \$100,000 to make repairs to Building C with respect to a problem with brick; and the main item, \$1.5 million - my honourable friend may be aware of it and perhaps not - there is indeed a serious remedial structural problem at one of the buildings. Some honourable members opposite may be aware of it. It has caused problems I believe, for two successive administrations. It really goes back to 1967 or 1968 and we're still wrestling with it. There has been some recovery from the architects by way of bonding and insurance but the bonding didn't cover all of the cost of making the rather extensive repair and the \$1.5 million is to cover that. It's unfortunately a serious problem.

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

MR. GRAHAM: Mr. Chairman, I thank the First Minister for the detailed explanation. My concern was, when we had an item for Community Colleges, why an item for Red River College would be under Public Works rather than have all of them listed together under Community Colleges.

MR. SCHREYER: That's a good point, one I wouldn't argue about. It is purely format choice. I suppose that the \$1.5 million of the \$1.6 million is under Public Works because Public Works has been charged with the continuing responsibility of negotiating with the architectural firm, negotiating with the insurance and bonding company and has been in charge of making the necessary arrangements for the renovation that is needed really - renovation isn't the word - the major repair to the subterranean or sub-surface structure, foundation. Sub-surface reinforcement.

MR. CHAIRMAN: General Purposes (c)--pass; (d) has been passed. General Purposes (e) Northern Affairs, \$1.85 million--pass - the Honourable Member for. . .

A MEMBER: I don't happen to be in my seat, Mr. Chairman.

MR. CHAIRMAN: If the honourable member would return to his seat the Chair will recognize him. The Honourable Member for Morris.

MR. JORGENSEN: Mr. Chairman, I don't believe that it's a formal rule but there is, I think, a generally accepted agreement now that while the House is in Committee of Supply that it is not necessary to speak from one's own seat.

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

MR. GEORGE MINAKER (St. James): My apologies, Mr. Chairman, I thought you were aware of that informal rule. I wonder if the First Minister could elaborate on the moneys that are proposed for the Northern Affairs.

MR. SCHREYER: One hundred thousand dollars, Mr. Chairman, has to do with Local Government Subdivision Development. There's nothing particularly pretentious about it. It has to do with the fact that in some of the smaller northern communities there is population growth necessitating new homes and in order for those to be built there is need for the surveying off of lots. Indeed, as the Honourable Member for St. James will well know, as CMHC, MHRC financing relates more and more to some northern housing construction one of the requirements is clarity with respect to title and this in turn means that there is no way of avoiding - it's unfortunately a little bit of extra bureaucracy, but perhaps justifiable bureaucracy - we can no longer proceed on the casual basis as in decades gone by. It is necessary to do surveys and to do a Plan of Subdivision preliminary to the building of a house and the servicing of it. So that's \$100,000.

Second item of \$1.7 million has to do with airstrip construction and upgrading, in some cases in order to meet federal criteria before the Federal Department of Transport will put cost-sharing into it. So this is a gross figure. There is some recovery hope fully, and it's only as of about a month ago that we have reason to hope that there will be recovery with respect to at least some of these strips according to the last letter from the Honourable Otto Lang.

The third item of \$50,000 has to do with infrastructure although I cannot be more specific as to precisely what kind of infrastructure. But I suspect it has again to do with local roads, the grading and gravelling of a half mile here, one mile there of local community internal roads.

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MR. GRAHAM: I would like to ask the First Minister if the upgrading program that is now taking place with the various members of the Department of Northern Affairs at Quetico Park could be considered a capital investment and maybe that is part of the infrastructure that is related to this.

MR. SCHREYER: No, that wouldn't be a capital expenditure, it would be an expenditure in human development. I think that there is nothing wrong with a Minister or a Deputy or an Assistant Deputy or a Branch Director or whoever, to take advantage at least on a once-a-year basis, if possible, of a two-day or six-day or whatever refresher, upgrading or similar kind of learning process.

MR. CHAIRMAN: General Purposes (e)--pass; General Purposes (f) Winter Works, \$11.11 million - the Honourable Leader of the Opposition.

MR. CRAIK: I wonder if the First Minister could give us the figures for last year's program on this and indicate whether there's any substantial changes in the winter works programs.

MR. SCHREYER: Mr. Chairman, one of the problems with winter works is that we cannot be completely definitive because it has always been the policy to gauge the winter works level of activity to the level of unemployment and slackness in our economy at a given point or a given season in time.

This is admittedly at best a crude estimate of the kind of capital supplementation we need under the general heading of Winter Works in order to "roll with the punch" so to speak of the eventuality of increased unemployment in the upcoming autumn and winter.

We estimate very roughly that if we were to proceed at maximum that it would involve the possible construction, supplementation really of the following construction under Public Works, some construction activity, I believe renovation primarily at 210 Osborne Street and if we were to proceed with that that would be a \$200,000 project approximately.

The Selkirk Mental Health Centre and office building at Selkirk, we have an item here for example, \$38,000; the engineering office in the Eastern Manitoba Regional Highway Garage, there'd be some tradesman work involved there; Brandon Mental Health Centre, \$575,000; some discretionary work that could be done at the Portage Home, \$160,000; the Courthouse in Dauphin, discretionary again, \$400,000; the Land Titles Office in Brandon, \$30,000; some work at the Land Titles Office in Neepawa, discretionary, \$250,000; the Agricultural Extension Centre Building in Brandon, \$105,000; Swan River Provincial Government Building, \$205,000; the rather large The Pas office building, some discretionary improvements and renovations and repairs, \$370,000; the possibility of proceeding, again discretionary, with a combination Liquor Control Commission Building, part of which would be leased back to the government or perhaps even to a private tenant; \$880,000 east of the Red River somewhere, in the Metropolitan area; D.P.W. District facilities Winnipeg \$250,000; 975 Century Street \$266,000; \$100,000 at the Highway Branch Office on Portage West. There's one item here which I don't think will come to fruition but it's here as a contingency, that is air conditioning of this building - a million dollars is the estimate. It's a contingency item. I'm not suggesting that it will be a high priority. Law Courts Building is where there is no doubt we will have to do some major work and so there are funds here within the \$11 million for that and finally the Assiniboine Park and Zoo. We have an amount of \$315,000 allocated which we would prefer to go ahead with, if we go ahead with it, in a way that is inversely proportional to our economy and level of unemployment.

MR. CRAIK: Mr. Speaker, I wonder since these are works programs that are pump priming type of programs that the government might get into, if they are going to diversify their programs which provide employment in this construction area, whether the government might consider that works on the riverbanks of the major rivers through major centres might be considered. These things are usually done in the wintertime and I wonder whether consideration might be given at some point to undertaking or looking at this sort of a program as well and add it to the slate of different items of a Public Works nature that are undertaken.

MR. SCHREYER: Mr. Chairman, the honourable member raises certainly an important point but one which I'm sure he will recognize as being at some issue as between

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(MR. SCHREYER cont'd). . . .the Federal and Provincial Governments.

We have tried, primarily through the Department of Highways, to get some kind of commitment even if it is only a 50 percent type of commitment from the Government of Canada with respect to riverbank stabilization. It follows by definition then that if there were to be confirmation of that that we would be obligated and I would suggest in ethics we would be obligated to then proceed with an equal obligation on our part.

The problem is that we have searched files and we have had to go back to 1947 as being a time when there was any significant riverbank stabilization work done and it was done on the Red closer to Lockport than to Winnipeg and it was done at 100 percent federal expense. Since then of course the Federal Government has consistently tried to deny responsibility. Perhaps one shouldn't fault them entirely for denying 100 percent responsibility. But unless they are willing to accept at least half, I don't see any justification for the commitment of provincial funds.

The question is one of at most for the province of a mixed or joint obligation, it is certainly not incumbent on the province to go it alone. Yet there are areas in which one could justify stabilization works. It is perhaps as good an example as any of where, because of conflicting or overlapping jurisdiction, there has got to be sharing or else the province would be ill-advised to proceed on its own.

MR. CHAIRMAN: General Purposes (f)--pass; General Purposes (g) General Programs, \$13,151,900 - the Honourable Leader of the Opposition.

MR. CRAIK: Perhaps the First Minister could give us the major items contained here.

MR. SCHREYER: These are shown as General Programs. They could be called sundry. I wouldn't call them necessarily minor. Under this general heading we have the program for example, Resources for Tomorrow, where we from time to time acquire land that may be relevant in the future for either wildlife or for recreation. Here's an item, typical example. Grader road maintenance - to replace a 1957 model 112 caterpillar grader in order to continue maintenance of over 300 miles of forest access and other category roads, fire guard roads, etc., in western Manitoba. An amount of \$280,000 to purchase replacement parts such as engine propellers, skis and so on, so that the aircraft in use will be able to adhere to the regulations of the Ministry of Transport. This is an ongoing program so this is equipment to meet DOT regulations with respect to bush aircraft. Then there is an item here of \$110,000 for survey and mapping equipment, automated mapping equipment, mini computer with peripheral flatbed plotter and a digitizing table. This begins to get a little esoteric. Local Government Subdivision Development, \$100,000; Employee Housing. In certain parts of northern Manitoba it is difficult if not impossible in these days to really be able to get and to maintain public servants in certain of the smaller more remote northern communities without the provision of housing so there's an item here of \$250,000; \$300,000 for the Office Equipment Branch for the purchase of new office equipment; an amount of \$1,500,000 for the revolving account of Materials Management, Department of Public Works. This is inventory of all kinds of parts, replacement parts, materials that are required to be made available by the Provincial Garage or by the Department of Public Works generally. There is an amount here of \$3 million, this is a more major item, whereby in proceeding with the construction of a training centre for the Canadian National Railways, we have a firm contract whereby over a given period of time the CNR will pay on a firm lease basis the capital cost involved. One might well ask, why didn't the CNR do the financing themselves? It seemed to be their preference to be a lease tenant and it was, if anything, easier to do it that way for us as well because this is on provincial Crown land. So a facility is being built and this pursuant to a firm lease contract.

There is an amount here of \$480,000 with respect to the Woodsworth Building.

There's an item here for Community Pastures - \$175,000, Community Pastures; \$225,000 for Vet Clinics; \$158,000 for Stedman High School. For some reason this has been in this list now for five years. I don't know what's happening at Stedman but whatever it is, it is not coming to early resolution. Stedman, I might add, is a community in the Interlake. I think it has to do with very difficult prolonged negotiations with the Department of Indian Affairs but the item is here again this year. Then there is an

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(MR. SCHREYER cont'd). . . . amount of \$1,025,000 for the Vermillion River Dam; \$200,000 for Sturgeon Creek gradient control structure which would be at the outflow of Sturgeon Creek at the Assiniboine in south St. James. The McEachern Dam construction, \$70,000, McEachern Dam; \$170,000 with respect to the Pasquia Drainage Project and \$100,000 for Environmental Studies. I think this brings it pretty well to the conclusion of the sundry or General Programs.

Under the Department of Tourism there is \$1.8 million with respect to park development and this has to do really with improvements in the generality of parks including the new park that has been named north of the Whiteshell known as Nopiming. There's \$150,000 relating to historical restoration and reconstruction including a pioneer farmstead near the Assiniboine River where the ferry still operates south of Wawanesa on the Assiniboine, south of Shilo. Manitoba/Saskatchewan Reception Centre, Museum of Man and Nature will receive \$100,000 in additional capital funding; the Manitoba Centennial Arts Centre, \$200,000; and the old chestnut, \$44,000 for the Main Street tunnel which is, I believe is contractual with the City of Winnipeg.

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

MR. GRAHAM: Mr. Chairman, I believe the first item, the Resources for Tomorrow, the Minister read it out but I don't believe he gave a figure.

MR. SCHREYER: Resources for Tomorrow, Mr. Chairman, I believe it is a million dollars rounded because that is again an item which is only an estimate. It may well be that we will not even utilize the full million dollars authority on that.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. CRAIK: Mr. Chairman, just as a final question to the First Minister. Has he got any capital money in there for research into new energy sources like wind-mills and other things?

MR. SCHREYER: The Honourable Leader of the Opposition should not ask me that question at this hour. I would say that the example he gave, there are no funds for that, not with respect to research into possible improvement of efficiencies in wind generation except the incidental amount that is made available to the University of Manitoba Faculty of Engineering. I wouldn't want to exaggerate the amount involved there but they are doing some work on that. Manitoba Hydro has a very mini scale project in that regard, somewhere on the east shore of Lake Winnipeg, but that too is very small. Major action in that regard is I believe being undertaken by Quebec Hydro and there's no point in us duplicating effort.

MR. CHAIRMAN: General Purposes (g)--pass; General Purposes, \$69,256,200--pass; total for Schedule B, \$87,155,200--pass; Capital Supply: Resolved that there be granted to Her Majesty a sum not exceeding \$397,393,200 for various Capital purposes--pass. That concludes the consideration of the Capital Supply Estimates.

Committee rise. Call in the Speaker. Mr. Speaker, your Committee of Supply has considered certain items, requests me to report progress and begs leave to sit again.

IN SESSION

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

MR. WALDING: Mr. Speaker, I beg to move, seconded by the Honourable Member for Thompson, that the report of the Committee be received.

MOTION presented and carried.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, I would move, seconded by the Leader of the Opposition, that the House do now adjourn.

MOTION presented and carried and the House adjourned until 10:00 a.m. Friday morning.