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LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, March 6, 1979

Time: 8:00 p.m.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY — HIGHWAYS AND TRANSPORTATION

MR. CHAIRMAN, Mr. Albert Driedger (Emerson): To the members of the committee, are they prepared to start? We are dealing with Planning and Design, Resolution No. 70, \$1,273,800; 3.(a) Salaries, \$997,300 — the Member for St. George.

MR. URUSKI: Thank you, Mr. Chairman, when we left off at 4:30, the minister was indicating some of the areas that the Planning Division of his department was involved in, amongst many other activities. I would like to ask the minister specifically to what degree is the Department of Highways Planning and Design involved in the work that is being debated now with respect to the rail line removal from the core area of Winnipeg, and/or the McGregor-Sherbrook Overpass?

MR. CHAIRMAN: The Honourable Minister.

MR. ENNS: No, we are not involved. A short answer to the honourable member's question is, that the question of Design and Planning with respect to the Sherbrook-McGregor Overpass is entirely within the City of Winnipeg's jurisdiction. The only involvement that the provincial government has, is the dedication of certain UTAP funds that have been available to the province, by the federal government, towards projects that involve rail lines, separation rail crossings, and certainly Sherbrook-McGregor is part of that. But we are not involved in the planning or the design of any structure involved in this instance.

MR. URUSKI: Thank you, Mr. Chairman. No doubt, in terms of the impact on the financial implications to the province that a structure of this nature is really only the first step in terms of providing sufficient and/or necessary transportation links for the north end of Winnipeg residents to the rest of the city. Does the minister feel that no involvement of the Planning branch of his department will certainly forestall any further requirements, or at least any further resources which the province might want to make available to other parts of the city or the province, by being tied into many overpasses within the City of Winnipeg? I would like to, at this juncture, ask the minister as to what the position of the provincial government, and the provincial Highways and Transportation Department is with respect to urban transportation and specifically with respect to the providing of links for the residents of the north end of Winnipeg, with the rest of the city.

MR. ENNS: Mr. Chairman, through you to the Honourable Member for St. George, I suppose it's a question of whether or not you recognize the responsibility and the autonomy of the City of Winnipeg in planning for their particular needs in this area. I might add that the Department of Highways and Transportation enjoys a very good relationship with the City of Winnipeg, and in particular, with its Chief Commissioner, Mr. Nick Diakiw, recently appointed in that position, and we simply do not and in fact, it's inherent in the concept of the bloc funding that we just announced to the City of Winnipeg, that we will not and do not have a role in that kind of planning. We have indicated to the City of Winnipeg, and their senior engineers, and their very competent staff, that X number of dollars are available to them in this instance — and I am speaking about the transportation areas — X number of dollars are available to them from the senior government, in this case, the provincial government for their purposes, and we do not intend to interfere with the city's planning for how they use their funds. So the answer to the Honourable Member for St. George is that we do not have, in terms of the appropriation that we are now talking about — the Planning division — there are no efforts being made by the provincial Planning and Design people — in the design and the planning of the Sherbrook-McGregor Overpass, that is a city matter.

MR. URUSKI: Thank you, Mr. Speaker. The minister, in indicating that his department is not involved in any of the actual planning and design work of any of the structures that the city may be proposing as transportation links, he indicates that the bloc funding that the province has recently instituted in terms of financial sharing between the province and its urban area, largest urban area within the province, is the means by which it is able to say that the city has its total autonomy in terms of its financial priorities, that it wishes to impose or do with the funds whatever it likes. But yet he makes the statement in his comments, that within that bloc funding, that there is a certain amount of funds that is designated entirely for transportation and there is a condition as to the limit of funds that the city may or will be able to receive from the Province of Manitoba. That appears to me to be a slight contradiction of his earlier remarks that the bloc funding is an open-ended amount to the City of Winnipeg, and provides the city with complete flexibility and entire jurisdiction over the provincial funding.

MR. ENNS: Well, Mr. Chairman, you can't have it both ways. You either recognize what I believe to be are the legitimate requests and positions taken by the city, who have competent staff and Department of Public Works, or City Public Works, whatever you want to call it, in determining their requirements for improvements in this area of transportation corridors and bridges, etc. What we have done through the bloc funding principle, is saying to the City of Winnipeg, these are the outside parameters of support that you will receive from the provincial government, we are satisfied that our relationship is such that we have the necessary discussions taking place when the two come close to each other. I said that earlier on this afternoon. When the city is planning on major arterial changes that affect provincial highways and/or the perimeter highway that surrounds the city, that my Deputy Minister has no difficulty in sitting down with the Chief Commissioner, Mr. Nick Diakiw, and we have had many meetings of that kind to determine the appropriate and proper route to travel on.

But the fact of the matter is, and I think the question that the Honourable Member for St. George is asking is, am I now going to give the city \$15 million for capital works and keep a lot of strings attached to it. No, we're not keeping those strings attached to it. That is part of the principle of bloc funding. We're saying to the city, these are the funds available to you, and we are prepared to acknowledge the fact that they will be used in the best way possible.

MR. URUSKI: Thank you, Mr. Chairman. While the minister indicates that that is his position, can he now indicate what the position of the province or the likely position of the province will be, with respect to once the overpass, and I believe that the overpass likely should go through, but in any event, that the overpass is built, what the implications on the province are for future commitments with respect to linkages that are, as we all know, the Arlington Bridge, which is strictly restricted just to car traffic with no heavy traffic allowed on it; the Salter Bridge, which allows only single axle vehicles to travel in one lane and the other lane is restricted to automobile traffic; we have the McPhillips Underpass, which is in what one would probably consider decrepid condition, where it has undergone in recent times substantial work in terms of upshoring the structuring; and I am sure the Main Street Underpass is in likely need of substantial repair.

What are the future, and is it not a concern to the minister and the department, of provincial costs likely to face this province, in times when the minister is hoping to provide greater and better linkages for other parts of the province, and improve the road network for the transportation system in the rest of the province; like his announcements of attempting to twin Highway 75 to the US border; likely to complete the project of twining No. 7 Highway to Stonewall; likely the projects that he has announced in dealing with Highway 59, what impact has the future cost that once you make the move of one overpass in the City of Winnipeg, which gives you the position that the railway shall remain in the heart of the city, what are the cost implications facing the province in light of their overall budget throughout the province when this move is made? Has the Minister and his department done and have any cost figures with respect to what are we faced with in future years?

MR. SPEAKER: The Honourable Minister.

MR. ENNS: Well, Mr. Chairman, through you to the Honourable Member from St. George, it was the City of Winnipeg that initiated the request for bloc funding. Along with that request, comes a degree of responsibility. They, now, have to prioritize their allocation of funds and that really is the short answer to the honourable member's question. All the questions that the Honourable Member of St. George raises — indeed, the very question of the propriety of expending the funds that the province has indicated that they are willing to allocate to the Sherbrook-McGregor Overpass — rests on the shoulders of the city councillors as to whether or not they want to pursue on this

course.

All I'm suggesting to the honourable member, Mr. Chairman, is that this government has, at the request of the city — at the request of the city, I underline — acceded to a bloc funding concept and that bloc funding, or the level of the bloc funding, as you would expect, is measured against the kind of support that we provide to other urban centres — Brandon, Flin Flon, Thompson. Indeed, it's measured against the total expenditures of public moneys for transportation throughout rural Manitoba and that will determine the level of the bloc funding, but at the request of the city, we have acceded to that request and they now have to accept the responsibility of where those funds will be expended. And if their priorities is /- the Sherbrook McGregor overpass, we are saying as the senior government, provincial government, we will not quarrel with their decision.

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

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

MR. CHAIRMAN: The Honourable Member for Minnedosa.

MR. BLAKE: With all due respect to my colleague, the Member for St. George, he's treading on an area here that is probably very, very close to Federal-Provincial relations in view of the publicity that has been given to this particular item in the past week or two or three in the press. And I just wondered if it's right to this particular section of the Estimates. I sure these questions can be answered elsewhere but this has been very prominent in the press and the Federal people have become involved and I think it is very, very close to Federal-Provincial relations the matter that we are discussing right at this present moment.

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

MR. URUSKI: Mr. Chairman, on that same point of order Member for Minnedosa raises, I wish that he really listens to what his Minister is speaking about because the implications that are there for all his rural compadres in the Conservative caucus, that if there is a substantial amount of money that is committed in terms of future crossings within the City of Winnipeg, it means only one thing in terms of the Highways Department budget. It means less pavement and roads within rural Manitoba because there is only, I believe the Minister will indicate, there is only so much dollars that are involved within the Highways Department as is evidenced by his budget and his presentation to the Legislature to date.

MR. CHAIRMAN: On the point of order, I think possibly under Planning and Design of this question could be raised. The Honourable Minister. The Honourable Member for St. George.

MR. URUSKI: I would ask the Minister, in light of his comments whether there is a concern on behalf of his government and his Department what the implications might be, whether he has any cost estimates as to what the implications might mean once this overpass is built and what the implications are in terms of the costs or trade-offs to the rest of the Province should the requirement be, and there is no doubt, I don't think the Minister will even deny that there is any doubt that the replacement of the structures that I have mentioned is going to have to be undertaken. Has he got any cost estimates and what are the implications for the rest of the Province?

MR. ENNS: Well, Mr. Chairman, to the Honourable Member for St. George. What the Member for St. George is questioning is the capability and the sincerity of the City of Winnipeg Engineering Department and their Public Works Department. They and a majority of public elected councillors have designated and have chosen to build the overpass. Now what the Honourable Member is asking me to do is, you know I am sure if it were in another context, to overrule that kind of a decision in some way or even to voice an opinion in that matter. What I am saying is that under the concept of bloc funding, and this really is a basic position that we are giving to the City of Winnipeg a degree of autonomy, that perhaps the previous administration did not give, and in fact I might say, had they given that to them, we would not now be faced with the embarrassing spectacle of after having built that \$22 million bridge, namely the south St. Vital bridge, and have lead umpteen thousands of cars into nowhere and created a massive traffic jam, that we will now have to correct very shortly by not approving, by interfering with the City plans as the City had well laid out to incorporate the traffic coming off that south St. Vital bridge through an overpass exchange over Pembina. And we will correct that no doubt, the City will have to correct it within a year of the building of this major enterprise, and we simply say that our staff, the Department of Highways

staff, has the responsibility of looking after, as best they can, the transportation problems within the Province, outside of the City of Winnipeg. We co-operate with the City of Winnipeg staff where our problems meet each other. Principally, egress out of the City as exemplified on the Perimeter Highway, but we will not interfere with the City of Winnipeg Engineering staff in their requirements and in their priorities within the City of Winnipeg.

MR. URUSKI: Mr. Chairman, the Minister I presume does not understand the comments I have been making. He indicates that we are, or that I am challenging the sincerity of the City of Winnipeg. On the contrary, I am really challenging the sincerity and the underestimating of the Minister of Highways, in his really missing the very point and really attempting to defend, I would say, most of his colleagues from rural Manitoba in terms of indicating to the Minister, whether he realizes it or not, the financial implications that he is leading himself into, whether or not he wishes to dwell or as he calls it interfere in the operations of the City of Winnipeg. I am suggesting neither, I am only suggesting that the Minister of Highways really doesn't know where he's going.

MR. ENNS: Mr. Chairman, on a point of order, perhaps at this point I should point out to the Honourable Member for St. George, that the subject matter he is discussing is not contained in these Estimates. It has been transferred to the Department of Municipal Affairs. If the Honourable Member wishes to discuss this subject, if he refers to the Reconciliation Statement on Page 53 of these Estimates, he will recognize that the \$28,420,000 that have been transferred out of this Department now rest within the Department of Urban Affairs and that would be the appropriate place to make and raise these arguments. Quite to the contrary, to the Honourable Member for George's suggestion that I don't know where I'm going, the Honourable Member for St. George doesn't recognize or doesn't know what Estimates he is discussing.

MR. CHAIRMAN: I would suggest to the Committee that the point of order is well taken, that this matter could be taken up under the Minister's Salary. Other than that I don't think it is related to the present area that we are discussing. The Member from St. George.

MR. URUSKI: Yes. Just on that point of order, Mr. Chairman, the Minister of Highways, it was not I who raised the concept of bloc funding and the sharing of costs and revenues with the City of Winnipeg in dealing with his Planning and Design Department, in dealing with the cost implications of the construction and the funding to the City of Winnipeg of the Sherbrook-McGregor overpass. I indicated to the Minister and I wanted to know, and I still leave that question on the table, what is the impact to the Province of Manitoba in future costs once this move is made as to what the implications are over the next five or ten years in the reconstruction and building of future linkages because the Sherbrook overpass is not going to solve the transportation link of North Winnipeg with the rest of the City. It is required and it should be built, but that is only the first step, and it's certainly incumbent on the Minister and he has indicated amongst those various items that his Planning Department has been involved, that they should be advising and he should be directing them if there is any direction there by the Minister of Highways to ascertain and bring to this Committee and to the Legislature and to the people of Manitoba as to what costs we're likely to face in future years as we go down the road in providing the necessary links within the City of Winnipeg and the cost-sharing. Be it bloc funding or whatever funding that the Province may undertake.

MR. CHAIRMAN: On the point of order if I may to the Committee I would like to ask the guidance of the Minister whether the Planning and Design covers any aspect of the issue that has been raised by the Member from St. George.

MR. ENNS: The planning and design of City structures does not fall under the purview of the Department of Highways and Transportation.

MR. CHAIRMAN: Then I would ask the Member for St. George to change his area of questioning, please. Is the Member finished? The Member for Gladstone first.

MR. AAMES R. FERGUSON: Thank you, Mr. Chairman. I certainly have enjoyed the few minutes that have taken place prior to now where the Honourable Member, my friend from St. George has been standing up for the City of Winnipeg, I find it very amusing that he as a Member for St. George should be fighting the City of Winnipeg problems when there isn't a City member sitting to support him. That I really do find . . .

MR. CHAIRMAN: The Member for Ste. Rose.

MR. ADAM: I don't think it's proper for a Member of the Committee to pass any reflection on the absence of any Member in the House. I don't think that that's parliamentary.\$

MR. FERGUSON: In that event, I do sincerely apologize and will get back to what we're talking about which is planning and design, and to just read it into the record I would like to — it says, "establishes and design criteria and plans for the development of a primary and secondary road system, which will meet present and future transportation needs economically." And I would expect that this would mean in the City and in the country so I would have to say to the Member for Ste. Rose that possibly what I was talking about should still be allowed within the gambits of what I'm talking about.

But, in any event we are very happy of the fact that we are looking forward to development of the Yellowhead Route. I do believe, and I will have to say, as a rural member, that there are other places that I think that those dollars could be spent to a better degree in my constituency and into the rural community in Manitoba.

We have never seen anything like we are seeing now whereby we're running into wholesale rail line abandonment. Our country roads are not going to handle the system and I would also like to bring out at this time that during the course of my eight or nine years of being a Member of the Legislature, the roads in my particular constituency have done nothing except go backward under this glorious outfit across from me, but hopefully we will now have at least some semblance of order and at least a little bit of fair play in the allocation of our road system. That will be one of the first.

We find that we are going to have to have upgrading in our trunk highways, as a matter of fact, one of my constituents last year got a traffic ticket because his empty truck was over the limits on that particular road and this is easy to understand. But, Mr. Chairman, we just find that we do have to have a definite increase in the allocation of funds in our area. The allocation, as far as I am concerned, is going to have to go out into our secondary roads. Yes, it's very nice, and we're quite aware of the fact that No. 1 Highway has to be upgraded, possibly No. 4 Highway has to be upgraded — it's No. 16 as of, maybe it was Monday morning was it? But this to a rural member really doesn't mean this much. We know what the problems are that when road restrictions come on in the spring that we have got to have more than one trunk highway. We know that grain is going to have to move and, in many cases, farm trucks cannot carry the loads that they are loaded with, and it is not the fault of the farmers altogether either in the fact that we do not have an opportunity to move our product until a certain time on the scale of the month, or whatever the case may be, and we find that many of our people are being picked up because of penalties on the road restrictions, etc. With this we can't find any fault and I certainly can't find any fault with my constituents, because I am sure that they would be very happy to deliver their product in January, February or March; they sure as hell don't want to wait until the first of April to have to move it, but it's beyond their control to be able to do this.

I would like to, again, congratulate our Minister for the forthright manner in which they have been moving ahead in the highway design, and one thing and another and, as a comparison, I would like to just read into the record, and it's still . . . The Honourable Member for Ste. Rose, it's still goes along with planning and design, and I would like to quote out of Hansard. I'm going to start in the middle of a paragraph, and if I can . . . —(Interjection)— Well, I will if you'd like. But I will read from the Honourable Member for Transcona. "I think those figures are quite startling because what they are pointing out is that we have to reassess our priorities in terms of spending, that widening the shoulders of highways is not necessarily the best way to go, that those do not meet the needs of Manitobans. That what is required in Manitoba are met . . . " I'm sorry; I'll start back at the . . . "So that these needs of Manitobans are met without blowing \$175 million in highways, necessarily. I pick on highways because when you see the wide shoulders that are being paved you find that that is completely unnecessary right now."

Well, if the Minister of MPIC was here or the Minister of Highways or the Deputy Minister of Highways, I would wonder . . . I understand that we had about a quarter of an inch of rain last night on the highways, and there were trucks and vehicles piled up all over the place, if we had no shoulders on the roads, it may be very nice to sit in Transcona and say, "We don't need shoulders on the roads . . ." Well, who in the hell needs a shoulder on a city street? We live in the country and this kind of garbage is a bunch of crap. We certainly aren't going to buy it, and we will go a little further. We will read the Honourable Member for Wellington. Again, he is planning it.

A MEMBER: City boys.

MR. FERGUSON: Well, the city boys. We blew \$175 million by putting shoulders on the highways. Really something, isn't it?

So let's start on the next one. I would ask you where the money would be better invested. Would the money have been better invested in the removal, even at provincial expense of 300 tons of deadly arsenic chemical from the village or would it be better invested in \$136 million of highway construction and reconstruction in our province? Would it be better that tornadoes should strike the Village of St. Pierre and hundreds of citizens should die in their beds? Our good friend Doern from Elmwood came on the same way. Okay. We, as rural members, aren't going to buy \$175 million in one place and \$136 million in another place. To me that looks like \$300 million down the drain, because of doing some work on highways in the rural.

I'd like to point out to you, Mr. Chairman, that we think that we're on the right track. We definitely have to have more roads. The railways are going out. And we may as well accept the fact that it may be because of collusion, or whatever the case may be, between the grain companies and the railways. I don't give all the blame to the railways but that's beside the point in this particular case.

But I do commend the Minister and his department. I think we're on the right track. I think that we have something here before us right now and in quoting these two things in the record we, as rural members, our rural roads, our secondary roads, have got to be upgraded. We just have got to get our product to market. We're having enough problem moving it after we do get it to market, but we can't do it on the roads we've got. And thank you very much, Mr. Chairman.

MR. CHAIRMAN: The Member for Minnedosa.

MR. BLAKE: Thank you, Mr. Chairman. I can only reinforce many of the comments that my colleague from Gladstone has made, and I won't belabour the Committee's time with reiterating them because they parallel many of the comments that I was going to make. But as a rural member, and under this particular item in the Estimates, I think it's a time when we can possibly get a bit parochial. And in my particular area as the Minister — and I commend him for it — is well aware, because he has been out in my area and has travelled over many of the roads which I can't really say for his predecessor, although he has probably been in my area unbeknown to me. Because I likely didn't get the same invitation that I got from the present Minister to witness his tour of my constituency. But in my particular area rail line abandonment has hit us as hard . . .

MR. CHAIRMAN: The Honourable Minister on a Point of Order.

MR. ENNS: Mr. Chairman, on a Point of Order, what the honourable member isn't mentioning is that I made that tour despite the fact that I had severe and difficult chauffeuring problems.

MR. BLAKE: And I can confirm that point of order, if you want to rule it in order or out of order; I can confirm the point of order as well taken, Mr. Chairman. We had a city member driving and he was a little unaware of some of the problems we have with abrupt stops in these rural areas.

I have been particularly hard-hit as many, many of my colleagues in the rural areas have with rail line abandonment. We have been suffering not only the loss of a line but the loss of many, many delivery points.

I think it's not unique but it's something that I think is a little different in the rural areas that I have a particular area where there are probably ten municipal bodies, R.M.'s and towns that have banded together and formed an association called the Highway 250 Association, because they realize with the abandonment which of the Halboro-Beulah line' runs through Rapid City, which is near and dear to my heart, being my hometown, the grain has to go north or south. They estimate 60 percent of it will go north to Newdale, 40 percent of it will go south to Rivers, a large percentage of it, while it will all find its way to 250 through some municipal roads, but eventually will find its way onto 250, which leads into both of those towns. And that particular Highway 250 Association has met with the Minister on one or two occasions. The Minister has been out and travelled over the route and travelled throughout the area and is very familiar with it, and realizes the problem, and we know that work is going to be done on that line and I just want to say to the Minister under Planning that, what those people are looking for is some long-range planning that will see that road eventually completed in a time-span of years. They realize it can't all be done in one year or two or three years; it's going to take longer than that.

The area runs from Souris in the south to the Sandy Lake area, and I might add, Mr. Minister, that Sandy Lake area is becoming one of the real strong rural tourist potential areas in the province.

We can't all have Whiteshells but we do have Riding Mountain National Park, which is one of the second most popular national parks in Canada, I think. The spill-over is running into my area, which is the Sandy Lake area. There is more and more traffic on 250. The tourist potential in that area is substantial.

I can recall the former Minister being in my area some time in the '71 year. I think there was a by-election at that time. There was a roadside park promised for Minnedosa. We don't have it yet, Mr. Minister, but the group are still working on it and we may get it in the years to come.

But Mr. Chairman, what I wanted to stress is that I think the people of the rural areas, especially where they are being hit by rail abandonment, and most areas are being hit as mine is, maybe not as heavily, are looking for some long-range planning, and I think it's something that in the past has been lacking to some degree and while we're under Planning and Design I think that's what the people are looking for and if that is going to receive some consideration I can only endorse it wholeheartedly. I would like to have the Minister's comments, maybe tomorrow when he is finished taking all the questions, tonight or whenever. But that is something that my people are looking for. They're looking for a long-range plan that is going to see that road completed from top to bottom in a time frame that's within their lifetime, of course. They don't want a 20-year plan.

But I think the department would be well-advised to look at something like that and say, "All right; I know you people are going to be unhappy now but three years from now you're going to have your end finished and the other end is going to be done after that", or whatever.

Mr. Chairman, that type of planning I think is so necessary with the problems we're facing, and I realize there are many. It's not only the railroad's problem or the grain companies' problem, or our problem, and it's all a matter of dollars and there are only so many dollars and they have to spend in various ways, and we have to allocate them the best we can. But if we're under Planning and Design I want to emphasize that the longer and the stronger we can come up with planning and design programs that will keep the people in the area reasonably happy with the knowledge that their road is going to be finished in so many years, that they can take their grain to market on a reasonably good road, or their other agricultural products, that that is so vital to our particular area where we are agriculturally oriented, and my constituency is certainly agriculturally oriented.

MR. CHAIRMAN: The Member for Crescentwood.

MR. STEEN: Mr. Chairman, I had reference made earlier that the City of Winnipeg really didn't count and that even though we're 60 percent of the population of Manitoba and that the Minister was mentioning the bloc funding which, from my days as a city councillor, we were after the provincial government to give us greater authority, and so on, so I commend the Minister and his colleagues for entering into bloc funding.

But I get a kick out of my friend here to the left, the Member for St. George, talking about the McGregor Overpass which, if we had not gone into bloc funding, would have still remained in the Minister of Highways and Transportation's budget. The McGregor Overpass, the planning was initiated in 1960 and here we are sitting in 1979 and for an 8-year period we had four Cabinet Ministers in the former government from North Winnipeg, but all of a sudden a dear member from 90 miles north of Winnipeg has a great concern over the McGregor Overpass. I just wonder where he has been for the last 19 years.

MR. CHAIAN: Order please. I rule the Member for St. George out of order on discussing this, because it was supposed to come under the area of the Minister's Salary or we covered it under the Reconciliation Statement. —(Interjection)— In all fairness to the Committee here, if I rule the Member for St. George out of order in that, I would have to have the Member for Crescentwood also adhere to the same rules. The Member for Crescentwood.

MR. STEEN: I would accept that ruling, Mr. Chairman, because you are following in the good footsteps of an excellent Chairman from last year and I think that you're doing your job well.

MR. CHAIRMAN: Thank you. Has the Member for Crescentwood finished? The Member for Ste. Rose.

MR. ADAM: Yes, Mr. Chairman, I'm sure that I can understand the feelings that the Member for Gladstone and the Member for Minnedosa, and my colleague and myself as far as rural members are concerned that we consider the network of roads in the rural areas of a very, very high priority and I'm sure the people we represent do also.

We are also concerned with rail abandonment and we know that it's unfortunate that there are so many railroads being abandoned and that the province is going to have to pick up the extra costs of upgrading these roads to carry the heavier loads that will come about because of this rail abandonment. I have been recently advised that the branch line from Dauphin to Ste. Rose is being asked for by the CNR from the Transport Board, so I certainly am in agreement with members on the government side that we have to improve our roads in the rural areas. There is no argument there.

I want to come back. I notice, Mr. Chairman, that you have allowed some latitude into talking about parochial matters and I don't know if this is the appropriate time to discuss that. We were more on Planning. I notice that you did allow the Members for Gladstone and Minnedosa to discuss the parochial, so in that context then I perhaps would ask the Minister if those ongoing programs that have been ongoing for a number of years, if those are going to continue. I would like to know if the Minister has received a delegation from the Hill Ridge area in regard to upgrading of a road to the community of Hill Ridge, and those are basically the only two questions I have as far as being parochial is concerned.

It's my understanding that there was a group in from my area to see the Minister and . . .

MR. MINAKER: You saw them in the gallery, Pete. That's the day you made your speech.

MR. CHAIRMAN: The Member for Ste. Rose.

MR. ADAM: I was just waiting for the Minister to answer.

MR. CHAIRMAN: Continue, please.

MR. ADAM: I would like the Minister to confirm if there was in fact a meeting and if there's any hope for the people in that area that — I believe it's an ongoing program — it's one of the roads that I recommended in the early years of my election and it has received some upgrading.

MR. MINAKER: They were all done years ago, Pete.

MR. ADAM: Last year it received an up — lift last year.

MR. MINAKER: Last year?

MR. ADAM: Yes. After seven years, after seven years. Yes.

MR. CHAIRMAN: The Member for Portage.

MR. LLOYD G. HYDE: Yes, Mr. Chairman. I'd like the opportunity just to pass a couple of remarks about what the Member for Gladstone and for Minnedosa have donated to the future upgrading of the Yellowhead route west of . . . starting actually, in the west end of my constituency. As the Minister is quite aware — it's been mentioned to him several times I was down — that he certainly needs to consider the wide shoulders because, being an agricultural community that I live in, the farmers are going to require those necessary shoulders to get their machinery past the junction of the No. 1 or 4. I'm hoping that the Minister will see in the near future the need for the construction of the clover leaf at the junction of No. 1 and 4 there.

As you know, Mr. Minister, we have our opening up of our new Portage Mall next week and we're going to require much needed highways and the clover leaf to steer that traffic in, as we hope we're going to get in, from both the southwest and the northwest of Portage la Prairie to use the new facilities that's going to be opened up in Portage la Prairie. I just wanted to bring this to your attention, Mr. Minister, I'm hoping that the future for Portage West is that you're considering a clover leaf there.

MR. CHAIRMAN: The Member for Roblin. Would you use the mike please?

MR. J. WALLY MCKENZIE: Yes, Mr. Chairman. I'm wondering if the Minister or the staff of the department have been meeting with the Union of Municipalities to try and designate which of these routes that are going to get the highest priority for market routes because it becomes very, very difficult now to sort out which one you should be spending your dollars on. I know the system has been badly neglected over the last 8, 10 years with the former government. Some of these PR roads, it's going to take millions of dollars to put them back in the shape that they were in at one time, but I'm wondering if maybe it wouldn't be advisable for the Minister to sit down with the Union — he maybe has already and with their help I'm sure that — ' because we don't have enough dollars to meet all these challenges and targets that's before us at this time, but maybe with their help we could set up something that would be agreeable and that they wouldn't expect the moon at the one time.

I'm wondering how Manitoba hooks up with the grid routes in our neighboring province, to Saskatchewan. Does that receive a priority or do you just run them up to the border and everything stops, or is it planned with Saskatchewan so that it becomes more important now than ever because of the grain lines that are abandoned in Saskatchewan? A lot of this grain and traffic will flow into Manitoba — it certainly will in my constituency from the west — and on some of those routes there hasn't been enough planning to tie the Manitoba route in with the Saskatchewan route. Those are the only questions I have for the moment, Mr. Chairman.

MR. CHAIRMAN: The Member for St. George.

MR. URUSKI: Thank you, Mr. Chairman. I wanted to make a few comments and I wanted to thank the Member for Roblin in deference to his colleagues the Member for Gladstone and the Member for Minnedosa. The Member for Roblin realizes, and I appreciate, he realizes the implications of the trade-offs that will be necessary in terms of future road construction in light of the present unplanned, hodge-podge, that the Minister of Highways is indicating to us in relationship to the Estimates that will be, will be, no doubt about it, I think he realizes it will be put on him by the Council of the City of Winnipeg in years to come.

I think he would be naive to suggest that the City Council, in all sincerity, will be putting on severe pressure, bloc funding notwithstanding, on the government and the Minister of Highways and Transportation to increase its funding in terms of providing needed arterial routes within the City of Winnipeg. So Mr. Chairman, the Member for Roblin certainly sees the implications that it has that the present path that the government appears to be taking in this area that what it has on the future needs of rural areas, and especially in light of the comments that have been made by the Member for Ste. Rose and the Member for Gladstone and the Member for Minnedosa dealing with the rail line abandonment issues that are facing those areas, there's no doubt that there will be much needed and required planning and very detailed decisions to be made by the government to examine where their priorities will lie, whether it will lie in placing some of its funds in battling directly the loss of rail lines to rural areas or whether they will accept the moves that are being made by the Grain Companies, the Railway Companies and the federal government in concert in allowing, without any battle, as appears to be the case in certain areas, in allowing rail lines to be abandoned and communities to die, or whether they will expend some funds in detailing the necessary costs that face those communities and these residences should rail line abandonment be completed in those areas.

The Member for Gladstone indicated that there are greater funds needed for secondary roads. It almost appears from his comments that he is accepting without a murmur on behalf of himself that rail line abandonment is a fait accompli, that some of those lines, irrespective of what he may do as the representative of his area, that it is done. It appears that all that he can do now is pressure his colleague, the Minister of Highways, to bring in and provide extra funds for secondary roads because of the much needed requirements that these roads will have to bear in increased loads and longer distances of hauling and the transfer of costs directly from the federal government to the province and local municipalities.

The Member for Gladstone indicated that he wants to congratulate the Minister for maintaining the budget of Highways in terms of its present nature while the Minister of Highways last session admitted that, while his Minister of Finance indicated that the spending Estimates of the Department of Highways were to be increased some 30 percent, he admitted that his Budget in actual fact barely took into account inflationary costs; that he was trying to bring about as much work in the Highways Department as he could in light of the current government restraints in total opposition to the statements made by his Minister of Finance, and this year, Mr. Chairman, is really no different in terms of the increases in the Budget of the Minister of Highways. So the comments made by the members of the Conservative Backbench, they should realize what the implications are as it

relates to the Highways Budget if there is not adequate planning and design work and foresight as to future road construction in this province.

MR. CHAIRMAN: The Member for Gladstone.

MR. FERGUSON: Well, thank you, Mr. Chairman. I'm certainly glad that the Member for St. George singled me out so much. I was very happy to hear that. But on the other side of the ledger he is also — he and I came into the Legislature at the same time — but he's been a fast learner. He doesn't seem to have any problem twisting the facts around. accompli We're not a fait with the rail line abandonment, but on the other side of the ledger we certainly do have to cover ourselves to the degree that in many cases it is a fait accompli. There is nothing we can do about it.

MR. ENNS: Right. They have been abandoned.

MR. FERGUSON: They have been abandoned and let's make that abundantly clear right now. In my constituency last fall there were many points where there were 50 trucks lined up, where they were delivering two loads a day and people were sitting on those trucks for 5 and 6 hours and coming in there at 5 o'clock in the morning. It maybe doesn't happen in the Honourable Member for Ste. Rose's constituency. Maybe he feeds all his grain to his turkeys, I don't know, or if he can grow enough.

I could also point out another thing, Mr. Chairman, that in the eight years or nine years that I've been in this House as representative of my constituency, I have received absolutely no paved road whatever, with the exception of No. 1 Highway, and also that our secondary roads have not been kept up. Under the great and glorious plan of the NDP Government whereby that you patrolled the roads in such and such a given time — I don't know where the hell the direction came from — but take some of the roads and the phone calls that I got and all of the complaints that I got on my secondary roads where they couldn't haul grain, they couldn't get their seed to the fields, and this is on PT roads, so I don't want any more lip from the Honourable Member for St. George. He can stick up for the McGregor overpass, and he can stick up for the rest of it; I'm sticking up for my constituents and I'm working for roads for my constituents because we haven't had any. Thank you.

MR. CHAIRMAN: The Member for St. James.

MR. GEORGE MINAKER: Thank you very much, Mr. Chairman. I want to say that I support some of the objectives of the Member for St. George, but I think that the . . .

MR. CHAIRMAN: Would the member please use the mike?

MR. MINAKER: What the Honourable Member for St. George doesn't realize is that I think when he was part of the government, part of the Treasury Branch, that he didn't realize that the City of Winnipeg, which I was part of at one time prior to being a member of the Legislature, wanted their own operation, wanted their home rule as they called it, and our government has taken the decision, and I think the right decision, to say, "Here. Here's so many dollars. You have it. You do what you want with it." I think that the success of this approach will be communications.

I support your concern at this time about whether there's a number of dollars available for transportation — and I think there is an adequate amount at this time. The to support the program this year success of this approach will be communications — that we have communications with the City of Winnipeg and they convey to the Government of Manitoba, whether it be our government or your government, which I don't think will happen in many years to come, but the communications is a secret, that if there is communication between the two levels of government; that they require this and this and this requirements; that they are given the dollars; they decide what they want to do with it.

The secret, I think, or the success will be a continuing review of what the requirements of the City of Winnipeg is with their separate decision-making powers that they have as a city. I don't believe that the Honourable Member from St. George understands this, as yet, because when I was on council, dealing with his government, they always tied some little control mechanism with the money. They would give us \$2 million for the control of City Park, but there was always that thing that said: Okay, the province controls what we do in City Park. So I support the bloc funding principle, but I also support his concern at the present time, that, is there adequate funding?

I have confidence in our Minister of Highways, that he has an interest in our City of Winnipeg. As my colleague from the area of Crescentwood has said, 60 percent of the population of Manitoba

is concerned and I believe that the approach that has been taken by our government, is a correct one, because the City of Winnipeg has asked for this responsibility and we will be watching them very carefully to see if they will accept that responsibility in the same way I would expect your government to look at this situation, and say: you bloc funding" — and "Okay, if you want bloc funding, we'll give we'll watch. It would only be expected of any responsible government, and our government has taken the approach and taken a step, I might say now: "Okay, you want it, we will give it to you". let's see what's happened. But I think the important part of the whole scenario is review every year and communication, so I appreciate the Honourable Member from St. George's concern that it might not work if we don't review it every year. It might not work if we don't review it every year. It might not work if we don't communicate. I think the secret of the whole thing is if we do communicate and we do review continually. And if we want to have three levels of government, which I believe in, that we should have a municipal government, that we should have a provincial government, we should have a federal government, then this is an integral step in supporting that idea of three levels of government. It has been taken by our government and obviously is affected by this particular Estimate that we're looking at.

I support the proposal and I have confidence in our Minister that he will continually review the situation regarding his responsibility and communicate with the City of Winnipeg, to make sure that we are not being short-changed. I'll tell you one thing, Mr. Chairman, that I will support the Member from St. George very strongly if we ever get short-changed. I will be the first one to step up in the Legislature and tell the Minister of Highways that we are being short-changed, so I am watching with as much criticism as you are, but with much more optimism and I have confidence that the approach that we have taken is the right approach.

MR. CHAIRMAN: The Member for Ste. Rose.

MR. ADAM: Mr. Chairman, I appreciate the comments by the Member for St. James. I think the point that my colleague was trying to make, is the very one that you very articulately have just made, because the impression that I believe my colleague and the impression that I receive from the Minister is that the province, the Government of Manitoba, the Highways Department is no longer involved in planning with the city; it's their baby. I think that's the impression that we receive; that that's what this whole debate is about and the comments that the Member for St. George made was in that vein.

He's concerned that there are other areas in the city that some of my colleagues have asked me to bring up on this very subject, and that is the province does have highways in the city; arteries that are considered as highways. There are bottlenecks, you know, and I can name a few. Yes, there's bottlenecks and there are highways and it's the responsibility of the highways whether you're a Member for Gladstone or Ste. Rose. We're part of the province, a community of people living together, and while we are all pulling for our own areas and roads and we know how important they are, we understand from the Minister now, that there is no more communication that you say should be there; that, oh yes, let the city decide and plan their own bridge, plan their own overpass — McGregor Overpass — let them plan it. That is the impression that we got here.

Now, look at the Logan and King Edward bottleneck. One of the most terrible bottlenecks. . .

MR. CHAIRMAN: If I may, to the Member from Ste. Rose' I think we're right back to where we were . . .

MR. ADAM: We're in the planning.

MR. CHAIRMAN: . . . which is the Planning and City, which I think we had agreed on that basically the bloc was covered under the Reconciliation Statement, as well as under the Minister's Salary in terms of the bloc funding area, and I would like to just suggest to the Member for Ste. Rose that maybe we can get down to the planning and design as it is designated under this area here, because I think the area of the city planning as such, should possibly come under the Minister's Salary.

MR. ADAM: There's no longer any planning with the city, insofar as their priorities are concerned. That's my understanding.

MR. CHAIRMAN: Not under this item. I understand that this can be covered under the Minister's Salary in terms of the broad scope of the jurisdiction under bloc funding.

MR. ADAM: Without any expertise to back him up, without any staff people. But anyway, can we discuss those streets, those highways in the city that are still . . . ? Are there any highways in the city that are still the responsibility of the department?

A MEMBER: None.

MR. ADAM: There's none? So, the bottleneck at Notre Dame and Arlington and a lot of others. . . there are 2 or 3 that I can name. Could I ask, then, Mr. Chairman, there's some comments in last year's debates about studies as far as - - and I believe the Minister made some comments. There's comments on a report on ARC Agreement. Are we still involved in planning in that area? And also a report on the Red and Assiniboine River studies, is that part of planning?

MR. CHAIRMAN: The Minister has just indicated that they will hear all the representations and they will answer on the planning end of it. Are there any further questions that you have, so that the Minister can make a note of them? If not, then, we'll ask the Member for Roblin and once we have all the questions submitted, the Minister will report to them. The Honourable Member for Roblin.

MR. MCKENZIE: Well, Mr. Chairman, the Honourable Member for ' St. James said a lot of things that I had in my mind. The other thing is, I do certainly appreciate the fact that the Committee is taking some time to deal with this subject. The whole stability of our economy in this province hinges around what we're discussing here right at this very moment. I think we all are well aware that agriculture is the No. 1 industry in this province and the spinoff that comes from agriculture ties in with the transportation of our goods and services, etc., etc. And of course, we are faced with the energy costs now, which is another factor, that none of us who sit around this table can estimate what is going to happen. I think the discussion was very worthwhile and I'm sure the Minister and the department are more alert to it than the average MLA, they meet with people on the national scene that we don't see from time to time.

But I'm very unhappy about the performance of the former government - - the years they were in office and the way they let our road system go down the drain - - that really irks me — especially in my constituency, and I'm sure there's others that got the same treatment I got. So it's not going to be easy to pick up those 7-8 years of doing nothing that caused a lot of the problems that we're faced with today. I'm sure the Minister and his staff will, when we come next . . . And there may be a different problem; we may be running around with shortage of energy and we built the roads and then we have no fuel to use them. So that's a possibility

But it's certainly been a worthwhile discussion and I look forward to the guidance of the Minister and the department to get us out of a very, very difficult time. May I ask the Honourable Minister in closing if these road-beds that are being abandoned, are they being transferred back to the municipalities or has an agreement been finalized regarding that matter?

MR. CHAIRMAN: The Member for St. George.

MR. URUSKI: Yes, thank you, Mr. Chairman . I have several specific questions with respect to planning and design work of some of the provincial trunk highways and roads and specifically with respect to the upgrading and re-design of provincial road 235 from PTN No. 6 to the Narrows. I wish to ascertain whether the design problems and drainage problems have been overcome in this entire area that the road is in the process of being upgraded. The contract was let last year, which was begun, but the road is far from being completed in the area that the contractor began to work - - whether that whole area of drainage and design has been - - whether the Engineering Department sees it has been overcome. And as well, in the area of Highway 59, proceeding north of the present area, whether any of the problems that were envisaged earlier in respect to properties and the like, whether these have been or in the process of being ironed out and this road is proceeding as originally planned.

MR. CHAIRMAN: The Honourable Minister.

MR. ENNS: Well, Mr. Chairman, I had that feeling just in the last hour, that my Estimates were escaping me and I was losing any input into them. I'll attempt to answer some of the questions raised, starting with the last questioner first; the Honourable Member for St. George. We are on an ongoing program of improvement on the road that is near and dear to his heart, 235, and that will be reflected in this year's program. It's a major undertaking, as the Member is aware of. It requires substantial, you know, input into providing the kind of road that will eventually stand up

in that rather difficult terrain, but I'm sure the honourable member will be, not necessarily satisfied, but will recognize an effort is being made in that direction. With respect to his other question on 59, the commitment made by the department in its previous year's work is carrying on and we will carry on. As I announced - - I don't believe the member was present last night, when I announced some of the highlights of the construction program last night in the introduction of my Estimates, that there will be substantial work carried on in the four-lane activities of Highway 59 towards the Grand Beach area.

Now Mr. Chairman, the discussion that has taken place in the last little while has given me an opportunity perhaps to point out some of the more, you know, not obvious facts about highway construction. And I thank the Honourable Member from Gladstone, who's not present here, as well as other members, who have brought to the attention of the Committee and to myself - - and I'm speaking to two honourable members of the Opposition who have some - - who I know know better and whom I hope will be able to influence some of their colleagues better.

But the preposterous, that is the only word that I can use, suggestion made by an otherwise esteemed member of this House, and an esteemed contributor to the former government in the position of a senior planner, indeed, I think the Manager of the Planning and Priorities Committee of that administration - - I'm referring to the Member for Transcona - - when he makes the preposterous suggestion that we should stop putting shoulders on our highways. You know gentlemen, we've listened to a debate about the possible problems of lead poisoning in the House. What he is suggesting is the assured slaughter of hundreds of Manitobans on our highways and everybody knows that, and the Member for St. George knows that, the Member for Ste. Rose knows that.

Weat your colleague stood up in the house and proposed to me was to kill more Manitobans, ten to one from lead poisoning. Now, you know, I know that highways is not that kind of a dramatic thing. It doesn't quite fit in the same category of whether old age pensioners get two strips of bacon or three or whether the Honourable Member for Ste. Rose happens to live under a tarpaulin in the hospital under a clean bed sheet every day. But what your colleague has suggested is that we kill off two, three hundred, four hundred Manitobans by suggesting that we stop putting shoulders on Manitoba highways and this comes from a senior planner, a man that has degrees five miles longer than any of us around this table, a Rhodes scholar, a man that is purported to be the next leader of your party.

MR. CHAIRMAN: Point of Order, the Member for St. George.

MR. URUSKI: Mr. Chairman, on a point of order, on a privilege as well. Mr. Chairman, the Minister of Highways purports to indicate that the death rate on our provincial roads, three to four hundred additional people, is directly attributable to the lack of shoulder construction in the road. The Minister himself indicated in the House that the death rate on our highways has decreased and I would like to know where the Minister received the statistics that he is quoting to this committee that the deaths on our highways are directly attributable to the lack of construction of shoulders on our highways.

MR. ENNS: We can within percentage figures accurately predict the decrease of accidents when we make the necessary improvements on highways, when we separate head on head on collision factor5, when we have the funds to make the necessary improvements, when we can correct the right angle turns to the acceptable three degree turns, when we can separate traffic this way where we know it happens to be. Our highway planners, and we're dealing with planning, and it costs money, we can predict with frightening accuracy the decrease in the loss of lives and in the decrease of accidents given that opportunity.

And I just make this point at this particular time because we've spent a great deal of time in the House and others about so called and, I'm not an expert in those areas, but I happen to believe in the people and the planning people and the people that we're talking about in this division that when they ask and when they often have to go against local opinion and often have to go against the local member because it's not easy to ask farmers to give up right of way of land, it's not easy to ask farmers to give up a favourite row of trees that maybe their father has planted or when we want to cross a favourite corner of section of land of a farmer to improve for safety reasons, for design reasons, and when we make those appeals, those are the reasons that we're doing it. And I know that the honourable two members present here know what I'm talking about. They are both rural members. They know that when you're travelling under conditions that we had today with blowing snow and you're in trouble and you have nowhere else to pull off but a ditch that that shoulder is very important, not just to your own safety if you have to change a wheel because of flat tire, but for the fact that you can move your vehicle out of the stream of traffic and prevent

that tail end collision that so often takes lives.

So, I just want to make the point that when a relatively respected member that should know better makes that kind of a statement in the House that says that we should stop building shoulders, well I can take you to places that don't build shoulders. You can travel to places like the Barbados, you know where all of a sudden there is two foot drop immediately off of eight feet of pavement or Prince Edward Island or other places. So, let's put that little question to rest. I'm appealing to my honourable friend in the opposite side that they will influence, use their influence — I know it's weak within that urban caucus but they will — I'm appealing to the honourable members that they will appeal to their members to recognize that when you're caught in a snow storm on a highway between here and Portage la Prairie or between here and Woodlands, that that shoulder is very comforting, very necessary. Now that's just a safety factor. I've not discussed the engineering facts that you don't build up a road without the shoulders to stabilize the roadbeds; you can't put the kind of loads that we want to put the . . .

MR. CHAIRMAN: The Member for Ste. Rose with a Point of Privilege.

MR. ADAM: Yes, the Minister has indicated that he knows that he . . . I want to paraphrase him now. He says that he knows that the NDP caucus is weak and I think that constitutes a Point of Privilege. My Point of Privilege is that there are disagreements in every caucus. We witnessed that here this evening with the Member for Crescentwood, I believe, and the Member for Gladstone, between the members here. There are disagreements and there are differences of opinion in among all caucuses, Mr. Chairman and I don't think that the Minister should make those comments.

MR. MINAKER: I'd like to ask the Honourable Member from Ste. Rose where the disagreement was between the members of our side. I don't know where we disagreed.

MR. CHAIRMAN: Order please. I personally don't feel that the point of privilege that was stated by the Member for Ste. Rose is a point of privilege. It's a matter of opinion and we'll not honour it as such. The Honourable Minister.

MR. ENNS: Well, Mr. Chairman, I've gotten that off my chest. Let me carry on with trying to answer some of the particular concerns. Certainly the Member for Roblin raised the question of whether or not we are cooperating with the municipalities, the union of municipalities in terms of this whole question of the kind of priorities that will have to be set on our road effort. I can assure him that we are. Several senior members of the department are working actively with the municipalities, particularly those that are affected by rail line abandonment and were hopeful that we can meld the priorities of road construction with their priorities and recognize that problem. The Member for St. George talks about rail line abandonment as though we have given up the ghost. I want to make it very clear that the Department of Highways in these efforts does not enter into the dispute of whether or not a rail line should be abandoned or not. I think that is quite properly within purview of the Minister of Agriculture, for instance as representing rural Manitoba, and the Minister of Economic Development. We in Highways have to be prepared to respond to a situation that we all of a sudden face and as some other members have pointed out, there are a number of instances where the lines have been abandoned and we have enough on our plate to try to build up those roads where that in fact has taken place and the Member for Minnedosa indicated a little while ago he is in that particular situation on Route 250 in the Cardale-Newdale area the line has been abandoned, the points had been given up, and it's not a question of arguing whether it's a fait accompli or not, it's a question of responding responsibly to the transportation needs in those areas.

The Member for Portage asked for continued efforts in recognizing the needs for developments of roads in his particular area, particularly in view of some of the industrial activity that taking place that is changing the pattern of traffic in that area. The increased amount of potato traffic for instance that's resulted from the McCain industry that has been established in Portage la Prairie is presenting this department with its own unique problems and we again trying to, in consultation with the City of Portage la Prairie and with the Rural R.M. of Portage la Prairie along with the Member for Portage la Prairie, trying to work out the kind of priorities that all three of these factions legitimately bring to our attention.

Well, Mr. Chairman, I've attempted to answer some of the questions. Let me simply indicate in closing that the Member for St. James when he issued I think an appropriate alert signal that we have gone to bloc funding with respect to the City of Winnipeg. That does not mean for one minute that we have lessened in any way our degree of cooperation and discussion with the City in terms of planning together their transportation needs as they dovetail with the Province's needs

but we do and perhaps it's because of the association and the confidence that I have in the Member for St. James who after all was the Chairman of Public Works for the City of Winnipeg for a period of time, that we are prepared to acknowledge that the City of Winnipeg has extremely competent staff. My Deputy Minister informs me that the relationship between the City of Winnipeg Public Works group and our department is good and cordial and cooperative but we recognize that the City of Winnipeg is an autonomous municipality and they elected 29 councillors to make the decisions affecting the welfare and the traffic and transportation problems of that city and we do not intend to impose our will against their will.

MR. CHAIRMAN: Before I recognize the Member for St. George, I would just like to draw the attention of the Committee that since this afternoon when we started on Section 3 under Planning and Design I've allowed a fair amount of latitude in terms of members on both sides to express their views and I'm wondering if at this stage of the game before we start again if I could caution the members to maybe confine themselves to the specifics as we had intended initially. I ask the indulgence of the members here. The Member for St. George.

MR. URUSKI: Thank you Mr. Chairman. In dealing with this section the Minister has presented what I would consider wild statements with respect to the statistics that he reportedly gave us in this committee. I challenge the Minister to produce the statistics that he talks about in terms of absolute reduction of deaths on our highways with respect to the construction of shoulders.

I will not argue or attempt to justify any statements that have been made by any of my colleagues. I think they are very well able to look after the statements that they make themselves in respect and in the context that they have made them. But, I do know that the Minister of Highways in speaking to the Legislature has now used this issue, or attempted to use the issue of statistics as a red herring to cloud the real issue that he presented to Legislature indicating that he had undertaken a study through the Manitoba Public Insurance Corporation to indicate to the House the nature and the type of accidents. . .

MR. CHAIRMAN: The Honourable Minister on a Point of Order.

MR. ENNS: Mr. Chairman, I know the bent that the Honourable Member for St. George is approaching. I believe it's out of order.

MR. CHAIRMAN: On the point of order or on the main topic?

MR. URUSKI: Yes, on the point of order. Mr. Chairman, the Minister of Highways has been given the latitude to make statements with respect to planning and design and in terms of statistics of deaths on the highways and he has raised the subject. I respectfully suggest, Sir, that those statements should not be left unchallenged in this Committee and the Minister should be brought to task and be able to produce those statistics. I want to know, myself, that if that is the case, that the lack of construction of shoulders on our highways have been directly attributable in the last year to these kinds of statistics that I want to know and then be able to support him and encourage him to do more planning and design work and construct better shoulders on our highways but I would like to know whether his statistics are accurate.

MR. CHAIRMAN: The Honourable Minister, I would like to caution all members here that on the Point of Order if we can tie it into the planning and design area as well. We are getting side tracked. The Honourable Minister.

MR. ENNS: On the same Point of Order as I undertook yesterday to provide certain information for this Committee and indeed provided it at the outset of this afternoon's session, I will provide those fixed and firm statistics for the Honourable Member for St. George.

MR. URUSKI: In terms of the statistics that he has given, that's what I want.

MR. ENNS: Accident rates. The experience of accident rates, deaths with respect to highway design and then the prediction of reduction of deaths and accident rates with improved highway design. I will provide at least a handful of those specific situations for the Honourable Member for St. George.

MR. CHAIRMAN: 3. (a) — the Member for St. George.

MR. MINAKER: Do you support no shoulder construction? —(Interjection)—

MR. CHAIRMAN: Order, order please. The Member for St. George.

MR. URUSKI: Thank you, Mr. Chairman.

MR. MINAKER: A former RCMP, and you support no shoulder construction.

MR. CHAIRMAN: Order, order please.

MR. MINAKER: You really support no shoulder construction; is that right?

MR. URUSKI: Mr. Chairman, I know an outrageous statement when I hear one, and I've had it . . .

MR. CHAIRMAN: Order please, order please. If we're going to proceed with the Estimates as such could we have a certain amount of recognition of the Chair, I would recognize the Member for St. George . . .

MR. URUSKI: My apologies to the Chair.

MR. CHAIRMAN: . . . regarding 3.(a) Salaries, or are you speaking on the Point of Order.

MR. URUSKI: Mr. Chairman, if I am allowed, Sir, to comment on the statements that the Minister has indicated in this Committee, his utter — and I paraphrase his words at this time — his utter disgust at the statements that were made by the Member for Transcona. I believe that's what he was saying. Well, Mr. Chairman, he is now, in his remarks to this Committee, is now what I would consider using a red herring and trying to weasel out of the statistics that he indicated were firm, and he talked about that he could prove that the lack of shoulder construction on highways would cause some 300 to 400 extra deaths on our highways. If I have mistakenly took his remarks — I think Hansard will bear me out — if I am wrong I stand to be corrected but I believe those are his words. Now he is coming to this Committee and indicating that he is going to bring some statistics dealing with accident rates.

I would suspect, Mr. Chairman, that there are statistics in the department dealing with the reports of accidents but they are not the statistics that the Minister of Highways is quoting. They are not the statistics that he is trying to throw around in this Committee and there is no doubt that he will bring back statistics dealing with accidents, but they will not reflect the remarks that he has made.

The Minister of Highways . . .

MR. CHAIRMAN: Order please, if I may. I think we are getting totally off the subject into a private argument here and I would ask the Member for St. George to stick either to the subject or leave it as such. Is the Member for St. George finished?

MR. URUSKI: Thank you, Mr. Chairman.

MR. CHAIRMAN: The Member for St. James.

MR. MINAKER: Well, Mr. Chairman, I have to comment at this time because I have some pretty close relatives that were former RCMP constables and present RCMP constables and I raise the question, it may be out of order, to the Honourable Member for St. George that, you know, does he support no shoulders on our highways or doesn't he, because that is what the Member for Transcona recommended to the Government of Manitoba — exactly what he recommended — and with the comments that I hear from the Member for St. George he is supporting that proposal. And as my outward view of the relatives of my family that are RCMP and also as a driver in Manitoba I would think if we took that approach to Planning and Design in our highways that we would increase our accidents, we would increase the deaths, because I would like the Honourable Member for St. George — and he can answer it or deny it, as the Honourable Member for Wellington denied to answer a question that I raised the other night in the House — does he honestly believe that the death rate would be lower, the accident rate would be lower if we did not have shoulders on our highways? Because I cannot firmly believe, as an engineer or as a member of this Legislature, or as a citizen of Manitoba, that if we discontinue the shoulders on our highways that we will be better

off dollarwise or better for people of Manitoba to take this approach. And I would ask the Honourable Member for St. George — and he can either not answer it or he can answer it — does he support no shoulders on our highways, because I think that is a wrong approach; I think we would be doing our people of Manitoba an injustice if we took that approach, and I think the Honourable Member for Transcona is completely wrong in his proposal.

MR. CHAIRMAN: Members, if I may address the members of the Committee as such . . .

MR. URUSKI: Mr. Chairman, if you allow me, I would be only too pleased to . . .

MR. CHAIRMAN: Order please. I am trying to establish the fact that by having allowed a certain amount of latitude, in all fairness to everybody to have their fair expression, that we totally deviate from the basic intent as such. Any further comments from the members of Committee? 3.(a) Salaries — the Member for St. George.

MR. URUSKI: I ask you whether you will allow me to comment on the remarks dealing with Planning and Design of the Member for St. James. that he raised.

MR. CHAIAN: Proceed.

MR. URUSKI: Thank you, Mr. Chairman. In dealing with the comments that the Member for St. James has raised dealing with Planning and Design of our highways, I hope that he will be able to do better in terms of supplying accurate statistics than his colleague, the Minister of Highways. —(Interjections)—

MR. CHAIRMAN: Gentlemen, I think we can proceed at a little better rate if we allow one member to speak at a time. The Member for St. George.

MR. URUSKI: If the members of this committee don't want to discuss the issue, then let them say so, but if they only want it answered in the way they want it answered, Mr. Chairman, I can tell them directly that if the Member for St. James is talking about the construction of highways with no shoulders I want to tell him, you know, if he really wants to dig into whether it's right or wrong, all you have to do is go around this province . . .

MR. CHAIRMAN: Gentlemen, possibly . . .

MR. URUSKI: . . . all you have to do is go around this province and look at, over the years, at the construction of highways at the time that they were constructed, whether they were constructed with shoulders or not and you will be back to the same point you are now debating: Whether or not it was good ten years ago to build highways without shoulders. Because they were done, the Minister of Highways was in government before I was, and they were building highways without shoulders then. —(Interjection)—

MR. CHAIRMAN: Order please. I have allowed a certain amount of argument . . .

MR. URUSKI: Red herrings are red herrings.

MR. CHAIRMAN: If I could caution members of Committee again that I have allowed a certain amount of discussion I would advise members that they address their remarks to the Chair and to the Minister as such, rather than to a verbal argument. The Member for St. George.

MR. URUSKI: Thank you, Mr. Chairman.

The Member for Roblin in his remarks really indicated the precise nature that we are ultimately going to be faced with in the future, and to what extent we should be going in highway construction today when likely five or ten or twenty years down the road we may be faced with an acute shortage of energy. To what extent should we be going all out, in terms of four-laning and twining, and the like.

MR. LLOYD G. HYDE (Portage la Prairie): Joe Clark's going to look after that.

MR. URUSKI: Mr. Chairman, the Member for St. James indicated whether anyone supports the construction of highways with shoulders or not. I believe that in terms of safe construction there

is no doubt that highways require adequate shoulder construction. But to suggest, like the Minister of Highways has suggested, that that specific construction design will specifically deal with the reduction of deaths on our highways is totally ludicrous. We know that it will save lives. There is no doubt, in terms of safety and design, in terms of our highways, but certainly the Minister of Highways cannot get up here and say that this is the specific extent. If it is, I want to know about it, and I want him to present those figures to this Committee.

MR. CHAIRMAN: The Honourable Minister.

MR. MINAKER: I still have the floor, I think, Mr. Chairman. I would just like to thank the Honourable Member for St. George for answering me.

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

MR. ENNS: Well, Mr. Chairman, perhaps to conclude the argument, there would be no better community to ask, as I'm sure there are other communities to ask, than, for instance, the community of Stonewall, who for several years, in fact indeed even came out with bumper stickers "Killer Highway No. 7", I believe, or something like that, because of the lack of shoulders. And when I suggest to you that we, in the Traffic Safety Division of the Department of Highways can, with reasonable accuracy, pinpoint the decrease in accidents and in fatalities with the twining of that highway. After all, that is part of the rationale, that is part of the justification for doing it in the first instance. Number One is the traffic density when a single or a two-lane highway has to handle upwards to 4,000 or 5,000 Vehicles per day, you know, for safety reasons and for traffic movement reasons, that's the point where under this section, Planning and Design, we start to plan for a divided highway, and it's those kind of statistics that I alluded to . . .

MR. CHAIRMAN: Order please, on a Point of Privilege. The Member for St. George on a Point of Privilege.

MR. URUSKI: Yes, Mr. Chairman. My Point of Privilege is that I have not argued with the Minister one iota that those types of statistics cannot be shown by the Department of Highways Engineering Section at all. What I am quarreling with were with the specific statistics that the Minister quoted. Let him deal with the specifics, not with the generalities, because with the generalities I agree with him. He has no argument from me with the generalities of being able to prove that the necessary design changes will result over the long haul, but the specifics that he quoted is what I'm quarreling with.

MR. CHAIRMAN: Order please. I do not consider that a Point of Privilege; it's a matter of debate or of opinion. The Honourable Minister.

MR. ENNS: Well, Mr. Chairman, I think it is important because it is important certainly to the Department of Highways as to whether or not the department will, in the future, receive the kind of adequate funding required to build the necessary safe transportation corridors required in this province. What we're receiving from the Opposition — and that's what I alluded to — in a formal way a demand, not a request, a demand, that we stop building shoulders, that we proceed with highways without shoulders. And I would have to suggest to this Committee that is going back into the Neanderthal days of when you rolled maybe an oxcart across a trail. But certainly I find it incongruous that anybody sitting around a table like this would argue against the safety factor and the necessity from a design point of view for shoulders on highways; certainly not in the prairies, not in Manitoba.

But, Mr. Chairman, I have to come to that reluctant conclusion. I at first thought it was the musings and mutterings of an urban person that didn't get out to rural Manitoba too often but when I find that position being supported by a former Minister of the former government, a Minister that was in charge of Autopac, then I find it very troubling.

Mr. Chairman, I can't add any more to these comments. The Member for Roblin wishes to, but . . .

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

MR. McKENZIE: Well, Mr. Chairman, just to assist you to resolve a difficult point, may I suggest that we wait until these statistics arrive and then the debate will be able to continue, if it's necessary.

MR. CHAIRMAN: 3.(a) Salaries \$997,300—pass; 3.(b) Other Expenditures—\$276,500—pass — the Member for Ste. Rose.

MR. ADAM: Yes, I wonder if we could just get a breakdown on this second item here.

MR. CHAIRMAN: The Honourable Minister.

MR. ENNS: Well, Mr. Chairman, the activities involved in this division include the, if I can list some of them, the data collection and processing, planning, programming, functional design and geometrics, engineering and services. The following items also had a significant impact on the Planning Design workload. I mentioned previous to it the . . .

MR. CHAIRMAN: The Member for Ste. Rose.

MR. ADAM: Mr. Chairman, if I may interrupt, just to clarify my question to the Minister. We have that information that he is giving us now. He has made that information to us previously. I just want a breakdown of the amounts, what it consists of.

MR. ENNS: The amounts consist of, in wages. . . .

MR. ADAM: No, the wages as a salary increase, is it?

MR. ENNS: Professional fees, some \$32,000; office equipment, some \$2,000; printing and stationery, some \$14,800; postage and telephones \$3,800; utilities, \$2,600; equipment operations, \$19,000; computer operations, that is charges charged to this division for computer services, some \$17,000; automobiles some \$42,000; automobiles, and that is the private mileage that we pay, some \$18,000; aerial photography, some \$47,000; travelling expenses, some \$70,000, and others, \$1,000, for a total of \$276,500.00.

MR. CHAIRMAN: 3. (b) — The Member for St. George.

MR. URUSKI: Mr. Chairman, specifically in the area of aerial photography, I believe the Minister quoted a cost of some near \$50,000.00. What areas would the department be involved in specifically in dealing with aerial photography? Is that some of northern road construction and new road areas that they would be using topographical photography to look at possible routes, or is it dealing with more areas that are within the province of Manitoba, and specifically, is that cost in terms of the use of aircraft, is that used by the province of Manitoba aircraft or how is that use made?

MR. ENNS: I'm advised that normally, as it has been the occasion in the past, it's contracted out. It is used for general topographical work in route alignment, we have found it a particular aid in . . .

MR. URUSKI: In existing roads?

MR. ENNS: On existing roads or where requests for realignment have been received. A substantial portion of it is in the relatively unmapped or uncharted regions of the north, but it's also used in the south. The department has asked, on several occasions for more of it to be used in the southern part of the province as well. It does give us the overview in terms of general alignment somewhat easier. We have been contracting about 350 miles of highway to be thrown every year for the purpose of updating our photography on our PTHs. "It is heretofore recommended that we expend" — and I'm reading from program notes — "that this program, to provide aerial photography on the PR system as well." In other words, there is a need and a requirement by the department to make use of this type of information.

MR. URUSKI: Would the aerial photography encompass an area much larger than the immediate area of the roadbed in question and its right-of-way. Would the department be looking for alternate routes, maybe taking out a curve or the like in a road in terms of aerial photography, or what is involved in this? Is it an area much larger than the roadbed and right-of-way?

MR. ENNS: As I indicated earlier, in the Planning and Design division, we have a heavy backlog of requests and the department uses this means to attempt to catch up on some of that backlog, that we get requests for changes in reallocating existing roads in the entire system. Most of it to

date has been used on the PTH system, on the provincial trunk highway system. The department is pressing for greater use of this means of quickly having an overview of a route location photographically available to the department to have that extended to the PR system, and that's principally where these sums of money are being spent. It is a relatively modest amount in the overall situation.

If I can just go further on, because we lack the kind of information that aerial photography provides on physical and cultural features, it is becoming you know, increasing more difficult to review and process the kind of requirements, very often for subdivision plans, etc., even on the existing route situations, and we can quickly get an aerial photograph of the area involved that our planners can then sit down and talk about future allocation of roads.

MR. URUSKI: Thank you, Mr. Chairman. Is there, not information, but services available to the province within the province of Manitoba that perform this type of service, or are the services performed by their own engineers with their own equipment and the flying time is rented out?

MR. ENNS: I'm advised, Mr. Chairman, that it is available within the province, but we don't have within the department the capability and expertise of doing it.

MR. CHAIRMAN: The Member for Roblin.

MR. McKENZIE: I think most of my questions are answered, Mr. Chairman. Maybe, does this photography show any weaknesses in the physical structure of the road or possible breakups that . . . of course you only do it once in . . .

A MEMBER: Not wide enough shoulders, Wally.

MR. CHAIRMAN: The Honourable Minister.

MR. ENNS: No, Mr. Chairman.

MR. CHAIRMAN: 3. (b) Other Expenditures \$276,500 — pass; Resolution 70, \$1,273,800 for Highways and Transportation, Planning and Design — pass; Resolution No. 71, Maintenance — Highways and Airports, \$34,561,000; 4(a) Maintenance Program \$31,765,000 — pass — the Member for Ste. Rose.

MR. ADAM: Yes, could the Minister advise the committee what changes have taken place insofar as Maintenance is concerned. What new areas of changes have taken place?

MR. ENNS: Mr. Chairman, this of course is the other major item involved in the Department of Highways and Transportation. It accounts for a very substantial amount of the money spent by this department and I'm addressing to the rural members of Manitoba, who are well aware of the costs involved in providing the necessary maintenance for principally our provincial road systems. There is, of course the ongoing maintenance on our provincial trunk highway systems which involves the resealing and coating of highways, it involves the snow plowing of highways this time of year, but there has been no change in the level of maintenance.

The department is under increasing pressure, of course to provide and extend the same maintenance to the thousands of miles of roads that we now have jurisdiction over in the province. Sometimes I think that when members in the opposition criticize the amounts of moneys allocated to the Department of Highways, they forget that every year, at their prodding, and at the encouragement of my own members of Caucus, the province adds new miles to the road systems. We develop and grade and gravel new PR, provincial road systems. That, of course adds to the annual maintenance bill and that's essentially what this involves.

There is one additional aspect of maintenance involved in this vote at this time, and that comes to do with the re-organization of the department, in that we have some 30 or 31 airports in remote and isolated communities to maintain as well. The department, over the years has supplied certain pieces of equipment that are stationed at these airports and some of the airports are manned — I think the department staff will give me some indication of how many are manned and how many aren't. Some are what we would call true emergency airstrips where there is no staff involved, but we do have a fairly large complement of staff involved in maintaining a number of these airports that comply with the conditions and regulations of the Department of Transport (Canada) for the maintenance of these airports.

I'm advised that 19 of the 30-odd airports that we have responsibility for in northern Manitoba

are staffed and have people on-site to maintain the airports.

MR. ADAM: Could the Minister advise if there have been any additional airports established in the last year and a half?

MR. ENNS: Mr. Chairman, there have been no additional airports constructed since this division has come to our department. I can advise the members of the committee, however, that we are presently undertaking construction of one new airport at Lac Brochet for northern Northern Affairs, yes, but that's not onstream as yet. The funds are in this budget. No, pardon me, I should advise the committee that the funds for the construction of that airport, as will be the case on several overlapping situations, the funds for some of the Northern Affairs projects are in the Estimates of the Department of Northern Affairs. However, the Department of Highways and Transportation will be delivering the service. We will be doing the actual construction.

MR. CHAIRMAN: The Member for Roblin.

MR. MCKENZIE: Mr. Chairman, how do they determine the maintenance on a PR road? Who makes that decision, the District Engineer, or how does he arrive at it? The traffic counts that's on it, or weather conditions? I suppose it's a lot of factors.

MR. ADAM: Good question, Wally, good question. What is the procedure, Harry?

MR. ENNS: Mr. Chairman, I'd like to believe it's on the advice of the member, but in addition to that, it's backed up by experience on that particular road, and certainly the availability of funds in the general maintenance budget. For instance, there was an increase in the maintenance budget made shortly after October 24, 1977 because we realized the need for maintenance of rural roads was a priority item with rural Manitobans. The department has a system or a schedule which I appreciate that some of the members of the public don't often feel is flexible enough to account for the weather conditions.

However, I think that the departments and the District Engineers who have the responsibility of administering their budget, the budget is given out to the individual districts, and on a prescribed course try to spread out the maintenance dollar as best they can.

MR. MCKENZIE: A few years back, it seemed that the patrol were designated on a certain day and I ran into some problems with some of the roads, that they felt that it should be more or less left to the discretion I guess it would be of the engineer or the man that's on the patrol, but there certainly were days when patrols were on these PR roads that they're absolutely doing no good at all. You take a hot, dry day in July, you're not going to improve the quality of the road very much running a patrol up and down it. So, I hope that it is left to the discretion of the patrol operator and the engineering staff that they pick the most opportune time. May I say the maintenance has improved considerably.

MR. CHAIRMAN: The Member for Rock Lake.

MR. EINARSON: Thank you, Mr. Chairman. I would just like to pursue a little further the questions proposed by my colleague from Roblin. I would just like to ask through you, Mr. Chairman, to the Minister . . . I understand there's supposed to be some cooperation between municipalities and the Department of Highways insofar as maintenance of roads are concerned. Sometimes, you know, municipal graders go over provincial roads to get to another municipal road. What kind of cooperation is there between the Department of Highways and the municipalities, generally speaking, in the province? I wonder if the Minister could elaborate on that. I'm thinking, Mr. Chairman of the saving of dollars and where we can best utilize the dollars to work with the municipalities in maintaining our PR roads.

MR. CHAIRMAN: The Honourable Minister.

MR. ENNS: Well, Mr. Chairman, just briefly to the Honourable Member for Roblin, that I appreciate his remarks about the timing of when maintenance is being carried out. As a rural member I can appreciate his concerns. There's an optimum time to have the maintainer run on a road and not so optimum time but I think by the same token, if he realizes the size of the highway districts involved that they have to have a schedule, you know, and a beat as the Honourable Member for St. George says. We all appreciate that right after a nice little rain would be a nice time to shape up that

road, but when you look at the size of the highway districts, that's not always possible. So I don't discount the comments of the Member for Roblin, I think they're very apropos and I think the department is constantly trying to meet that requirement. But if you realize — particularly us members should realize — we think we've got a pretty big job on our hands when we represent our constituencies, that the Province is divided into 57 pieces, that we have 12 highway districts, 12 only throughout the length and breadth of this province, so that your district engineer has a lot of ground to cover in terms of detailing out where his maintainers will go and do the maintaining on the roads.

Nonetheless, I appreciate the comments of the Member for Roblin and I'm particularly pleased that the staff is here to listen to him. It's always, I think, as much an exercise for the Minister as it is for senior members of the staff to be present at these examinations of the departmental Estimates for them to be able to understand and appreciate some of the concerns that members of the Legislature have.

The Honourable Member for Rock Lake requests about the degree of cooperation between municipalities. Mr. Brako, the Deputy Minister, will support my statement that within a relatively few short weeks of my assuming office that I had a specific request on this particular point, that we should re-examine again and contact all the municipalities in Manitoba as to how we can better utilize the equipment that we have. And when I say we, I speak as a taxpayer. The taxpayer doesn't differentiate between anything that's yellow and crawls around the ground. That is his equipment, whether it's municipal or provincial government or indeed federal. And it does aggravate people in rural Manitoba when they see a piece of municipal equipment or provincial equipment with their blade up high running over a road that could well do with a blade down and it's not being utilized. I'm assured, and I would invite the members to individually contact members of the staff if they feel they have a particular problem within their municipality. We have a number of reasonably good agreements with a number of the municipalities whereby there's a trade-off. We will do some work for them or they'll do work for us and it's working out reasonably well.

I'm not satisfied necessarily that we're doing as much as we can in this area. Again, it's a question of sometime dovetailing schedules with the different jurisdictions involved. I think it's something that's very legitimate though that you raise in a very legitimate way, that we should be constantly pressing for; that we receive the maximum value for tax dollars spent on the equipment, on the staff. Certainly, I would just as soon pay a municipality maintenance dollars for work they did on our roads, and I think on the other side in some instances we help out a municipality by enabling them to maybe keep an extra machine on their payroll by finding miles of roads for them to maintain in areas where it's more convenient for us to do so.

MR. CHAIRMAN: Member for Rock Lake.

MR. EINARSON: Well, Mr. Chairman, I want to thank the Minister for the answer which he has given to me on my question. I think it's a very important one, especially when we talk about restraint and we're trying to make the dollars go as far as possible.

One other question that I would like to pose, Mr. Chairman, through you to the Minister, and that is, particularly in the winter months when we have snow removal, and particularly this year and last year, there were times when roads would be open, then they'd be plugged again. I'm wondering how much thought has been given to equipping the trucks, that is, the foremen of various districts and snowplow equipment should be equipped with a radio so that one knows where the other is, which is a saving on miles and travel, one knows what the other is doing. I've been told on a number of occasions that this is something that's been lacking, and if we want to make more efficient our highway system, particularly in the moving of snow, we could instal some of this radio equipment so that there's communication and would be many miles saved, fuel saved, and so on. I'm just wondering if the Minister would comment on that.

MR. ENNS: Mr. Chairman, in response to the Member for Rock Lake we are hopefully expanding that system within the department. There are a number of districts that are so supplied. We have not by any chance covered the province in that way. There's always the constraints of budget that prevent us from doing so but we acknowledge that the expenditure of some dollars on radio equipment would often offset and make greater use of costly equipment and time and labour by being able to communicate, you know, have the district engineer, be able to communicate in a very fast manner with his staff. We are half-way in that program. We do have a number of districts, a number of units supplied with radio equipment but it is not universal throughout the department as yet.

MR. EINARSON: I'll just thank the Minister again for that, and hopefully that this is the way in

which they're going. I'm hoping they're not too long that the full province will be operating in a similar fashion. Thank you.

MR. CHAIRMAN: The Member for St. George.

MR. URUSKI: Just to follow up a bit on the comments that the Member for Rock Lake made, could the Minister elaborate a little bit and indicate the degree that the department has become involved and been able to obtain radio equipment, and what type of equipment they have placed the radio communication equipment in? Is it primarily in base stations and the patrols or is it also in some of their supervisory staff vehicles and the like?

MR. CHAIRMAN: The Honourable Minister.

MR. ENNS: Mr. Chairman, I'm advised at present it's kind of a mixed bag. We have a bit of everything. We have car telephone systems, we have some two-way radio systems. I might say the department I'm sure perhaps has looked at this too with the infusion of the transportation services from Northern Affairs into the Department of Highways — which includes fairly substantial and sophisticated radio services and we can deal with that on Resolution 9 as we come to it — but in the North the radio communication system has always been more sophisticated and more complete and that's one of the kind of side benefits that perhaps will accrue to the entire Department of Highways with that section coming into the Department of Highways, that we can move that kind of services not just, you know, in Northern Manitoba, but make that available to our districts throughout southern Manitoba.

MR. CHAIRMAN: The Member for St. George.

MR. URUSKI: Thank you, Mr. Chairman. I have some specific questions. In the item of maintenance the department shows a recovery in their expenditure of \$11.5 million. They show a recovery of \$11,242,000.00. Can the Minister indicate where that recovery is made, whether it's made from other branches of the department?

MR. ENNS: Mr. Chairman, I'm advised that that amount totally is internal charge-back, that we provide services to other departments principally in the area of forestry, parks, and within our own department.

MR. URUSKI: Thank you, Mr. Chairman. The other question I have specifically is, what is roughly the percentage increase of maintenance of program budget this year over last?

MR. ENNS: The actual figures are from \$32 million to \$33 million, so we're looking at about a three percent increase.

MR. URUSKI: Thank you, Mr. Chairman. That brings me to my comment in this area. The Minister of Highways when he started his remarks indicated that the opposition always criticizes the amount of money in Highway maintenance. Mr. Chairman, I don't believe the Minister of Highways would have found himself in the criticisms that he has received in the last two years had his Minister of Finance not, in announcing the Highways construction and maintenance budget, spoken of an increase of some 30-odd percent when in fact the Minister came to this committee and indicated that the Highway's budget increase was between 7 and 8 percent for last year. That's where the criticism really came in of the Minister and the Highway's budget, because to the public it left the impression that while there was severe government restraint, that the Department of Highways was going to do great wonders in terms of highway construction, when the fact of the matter was — and the Minister himself admitted to this committee — I do not criticize him for it, but that is a difficulty that his Minister of Finance got him into, that the increase was primarily within the area of inflation increase and nothing more, and the increase specifically now in the area of maintenance this year I'm sure the Minister will admit will not even cover the inflationary cost increase.

And with the greatest respect to the to-dos we have heard from his members from the rural areas of the Conservative Caucus. The Maintenance Program, I believe, will not change substantially. If anything, it may be somewhat less but I will give them the benefit of the doubt that they may be able to maintain the amount of service that was maintained in the past years and certainly nothing any better and the criticisms that have been levelled in the past years and now the plaudits that have been given in this year certainly have no foundation whatsoever.

MR. CHAIRMAN: The Honourable Minister.

MR. ENNS: Mr. Chairman, I couldn't agree with the Honourable Member for St. George more. The Minister of Finance is totally to blame.

MR. DEPUTY CHAIRMAN: 4.(b)(1) Salaries and Wages \$4,003,800.00. .

MR. ADAM: Mr. Chairman, on a Point of Order, I think you're jumping . . .

MR. DEPUTY CHAIRMAN: We're on (b) now, 4.(b)(1) Salaries and Wages. The Honourable Member for Ste. Rose.

MR. ADAM: Yes, I would like to ask the Minister why the Mechanical Division is shown in last year's Estimates as \$9,513,000 and it's shown in a different manner this year; it's shown as \$275,000. In '77, \$8,367,900 and it's shown in the left-hand column here as \$471,400.00. Why was that change made and could he explain it to us?

MR. ENNS: Mr. Chairman, I am advised that the Equipment Division of Transportation Services has now been added in. On the left-hand side. And that's the reason why they don't correspond with the . . .

MR. ADAM: Last year's Estimates.

MR. ENNS: . . . last year's Estimates.

MR. ADAM: What happened now?

MR. ENNS: Well, it's the re-organization of the department. The Equipment Division of Transportation Services from Northern Affairs have been added in, and that is part of it, part of the original Reconciliation Statement. In the Reconciliation Statement on Page 1 of my Estimates of the \$7,984,000, the Honourable Member for Ste. Rose will note. That's where the figures don't jive with last year's printed Estimates.

MR. DEPUTY CHAIRMAN: (b)(1)—pass; (b)(2) Other Expenditures \$7,397,200—pass; (b)(3) Equipment and Tools \$40,000—pass; (b)(4) Highway Buildings and Storage Yards \$76,000—pass; (b)—pass; (c) Warehouse Stores (1) Salaries and Wages \$264,600—pass; (2) Other Expenditures \$64,000—pass.

MR. ENNS: No change.

MR. DEPUTY CHAIRMAN: Purchases \$3,470,000 — the Honourable Member for St. George.

MR. URUSKI: Yes, Mr. Chairman. Is this the revolving fund in terms of equipment purchases that the department has?

MR. ENNS: Yes, Mr. Chairman.

MR. URUSKI: That's on graders and mobile equipment.

MR. DEPUTY CHAIRMAN: (c)—pass? I'm sorry — the Honourable Member for St. George.

MR. URUSKI: Mr. Chairman, this recoverable amount of 3.3 is also an internal recovery from other sections of the department?

MR. ENNS: That's right, it's that revolving fund that the department has that we charge in and charge out.

MR. DEPUTY CHAIRMAN: (d) Airports and Roads, (d)(1) — the Honourable Member for Ste. Rose.

MR. ADAM: I would like to ask . . . We asked questions on the preamble on the number of airports — it was 19 — and that 19 were staffed. I don't know if we got a number of the total. How many

airports do we have? 19 were staffed, I understood. My question is: There doesn't appear to have been any activity, additional activity; everything is pretty well at a standstill with one project to come in the works, and there is an increase of almost half a million dollars in this item, if I'm reading it correctly. I'm just wondering if the Minister could give us an explanation. Well, \$411,000

MR. DEPUTY CHAIRMAN: Yes, it's salaries. (d)(1) is \$1,250,400.00. That's the item we're looking at.

MR. ADAM: Could we get an explanation on this extensive increase for this appropriation when we understand that nothing is happening, it wasn't there in place before? Is there more staff added?

MR. ENNS: Well, I am advised by staff, Mr. Chairman, that a fairly significant number of these airports that were under construction and construction completed now are being staffed, and that accounts for the increase in the salaries item in this appropriation. For the benefit of the members of the Committee, I should also indicate that of the some — I shouldn't speak from memory but 60-70 personnel that are being involved — 68, I believe, that are involved here, principally they involve members of our native community that are staffing these airports in northern Manitoba. But the allocation for the salaries here is that in a number of instances this is the first instance that these airports are being staffed. That is, an emergency airstrip was built, a small building — if you can call it an airport — was provided and they are now being staffed by two or three persons in those areas, and that accounts for the salary increase in this appropriation.

MR. ADAM: Yes, could the Minister indicate what was the increase in staff from last year and is this 68 staff number in addition to what we are looking at on the staffing breakdown by division? Is it in Mechanical Division or where does it show up?

MR. ENNS: Well, Mr. Chairman, I am advised that there has been an increase. You know, we've had to allocate an increase of some \$112,000 for this increased staff. We do not have the specific breakdown in how that relates to numbers of staff. They are all associated in this area of maintenance of Airports, but we have some recovery for equipment utilization of some \$238,000, and we have also added into this cost under Other Expenditures the necessary insurance of some \$20,000.00. You see, in many instances this is the first time around in establishing these airports. We established them under minimal conditions of the Department of Transport Canada. We have been advised after we built the airports that prior to their full utilization that the conditions call for a minimum requirement of insurance before carriers or private carriers will land in them. That accounted for some \$20,000 in Other Expenditures. In other cases, the requirement for staffing then and staffing certain safety equipment and having available certain safety equipment. In the Department of Transport there are various levels of airport classifications, starting all the way from just a straight unclassified emergency strip to the partially-manned, manned with certain equipment, manned with, you know, all the way to, I suppose, to the International Airport here in Winnipeg.

MR. ADAM: Mr. Chairman, is the number of 68 staff, that represents an increase of how many over last year, and is this figure shown in the sheet that the Minister so kindly distributed to us today on such short notice and with such expedience?

MR. ENNS: Mr. Chairman, we have, as the member will appreciate, difficulty in answering that question as accurately as we would like.

MR. ADAM: Take a try at it.

MR. ENNS: Let me tell you, there is an ongoing problem. I think we can tell this: That my Deputy Minister and some other senior members of the department visited one of these airports. They hoped to call on the staff there. The station was abandoned. There were signs of a fight and there was no staff there. It's a fairly loose situation. We have budgeted for 68 members of the staff and I can't assure the honourable member that all 68 of them are working at it at this time. I'll undertake that question as notice and perhaps have that information for him when next we meet.

MR. ADAM: Could the Minister also take as notice and find out whether this 68 staff members — I think it's SMYs they're referring to — do they appear in the figures on this sheet?

MR. ENNS: Yes, they do.

MR. ADAM: They are here? They are in Maintenance or Mechanical Division?

MR. ENNS: They would be under that grouping that we show separately in the Transportation Services and they are included in that 242 figure.

MR. ADAM: So that does not disturb then . . .

MR. ENNS: It does not disturb your . . .

MR. ADAM: The bottom line.

MR. ENNS: No.

MR. ADAM: The bottom line. Okay, then perhaps the Minister could give us a better breakdown on the \$411,000 increase: the construction, the insurance, the \$112,000 increase in salaries or the extra staffing. Does the Minister have a breakdown there or can he provide it tomorrow, or . . . ?

MR. ENNS: Mr. Chairman, I am advised that the difference between the \$370,000 and the \$400,000 reflects a straight price and salary increment increase in that division.

MR. ADAM: \$370,000.00.

MR. ENNS: The difference between \$370,000 and the \$411,000 represents no change in program or in staffing component but the natural increase in salaries and in costs associated with the positions held.

MR. ADAM: So there must be quite a number of staffing increase in this area, and the Minister will bring that to us tomorrow.

MR. ENNS: Yes.

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

MR. URUSKI: Thank you, Mr. Chairman. I don't know if the Minister has supplied the information to the Member for Ste. Rose, he indicated there was a number of new airports that have come onstream. Could he give us the specific details as to the new airports that have now been manned since the last budget figures that we have here — a specific area? The specific area of the airport that has been manned now, that has come onstream and the locations of same. Which airport . . . ?

MR. ENNS: Mr. Chairman, I would have to take that question as notice and will provide it for you. We can deal with it tomorrow.

MR. URUSKI: That's fine.

MR. ENNS: Your question, as I understand it, you want the location of the manned airports . . .

MR. URUSKI: That have come onstream . . .

MR. ENNS: . . . that have come onstream.

MR. URUSKI: . . . that this increase in budget attributes to, , and the staffing at each airport. You're looking at likely an increase of approximately \$200,000 in Salaries and Wages and an increase of approximately \$200,000 in Other Expenditures. That's the accountability that I'm asking for, Mr. Chairman.

MR. ENNS: We'll have that information for the honourable member tomorrow.

MR. DEPUTY CHAIRMAN: The Member for Swan River.

MR. GOURLAY: Mr. Chairman, I was wondering, has the department had additional responsibilities for northern roads and forestry roads this past year, and does that show under this (d) part here?

MR. ENNS: Mr. Chairman, I would have to advise the Member for Swan River that would appropriately be discussed under (6) and under (9) I suppose, Transportation Services. I would point out to him that we have accepted the additional responsibility for northern roads and that is a winter roads program. We have not taken on all the forestry roads or trails, more appropriately called.

MR. GOURLAY: But that shows up later on, it's not . . .

MR. ENNS: Yes.

MR. GOURLAY: Okay.

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

MR. URUSKI: Yes, Mr. Chairman, could the Minister indicate whether in this Item 71 or No. 4 in the Total Maintenance Budget, whether it is included in that area, the maintenance on PR 391?

MR. ENNS: Yes.

MR. URUSKI: Could the Minister give us a detailed accounting of what funds were expended on 391 in the last fiscal year in relationship to the amount of funds that were proposed and what is proposed in this budget dealing with PR 391.

MR. ENNS: Mr. Chairman, 391 ranks high in the priorities of the department. We have expended a substantial amount of money on that particular stretch of road in the last year. I'm advised by staff, Mr. Chairman, that upwards in the neighbourhood of some \$3 million were spent on that major road in the last year. The member will be aware that the government is committed to an ongoing expenditure at roughly that level over the next three or four years, to bring that very important road — and I might add that difficult road from an engineer's construction point of view — to full trunk highway acceptability. In fact, it's my hope that within the next two or three years when we have constructed 391 to Thompson to the level acceptable with other provincial trunk highways that we indeed will change the numbering of that road from 391 to No. 6, and the residents of Thompson have been so advised.

MR. DEPUTY CHAIRMAN: Is it agreeable to the members to pass 4.(d)(2) in view of the fact that the Minister is going to be providing additional information? The Member for St. George.

MR. URUSKI: Mr. Chairman, I just wanted to ascertain for certain that the Maintenance Budget does include provisions for 391, or will that really be included in the highway construction program?

MR. ENNS: Mr. Chairman, on 391 we're faced with both, heavy expenditures in both areas. I would not want to leave the impression that we are not going to include in the regular highway construction program a major expenditure of dollars, but the nature of the road, as the member is well aware, is such that it requires a constant heavy maintenance program. Indeed, that's possibly the major reason why we're undertaking the reconstruction of that highway because the maintenance costs, the annual and the yearly maintenance costs are such that we're well advised to spend the extra dollars in shoulder strengthening and the general improvement of that road.

MR. ADAM: I'd like to ask the Minister if there is anything in the items before us that will appear in the program that will be tabled?

MR. ENNS: Mr. Chairman, not in the specific items that we are now dealing with. These are maintenance items, these are items that are separate and apart from the item that we can discuss under Resolution No. 6, Construction of Provincial Trunk Highways and Provincial Roads and Related

Projects.

MR. ADAM: Including 391?

MR. ENNS: Including 391.

MR. ADAM: Mr. Chairman, I wonder if the Minister would be amenable, if we could hold this item over until tomorrow. We can come back to it when we get the information.

MR. ENNS: Mr. Chairman, I appeal to you. The generosity of the Minister has been demonstrated time and time again in terms of his willingness to discuss any item at any time. The committee has the opportunity of discussing all items again on whether or not I should receive a salary for the coming year's work. I'm appealing to the Honourable Member for Ste. Rose as to whether or not, by allowing us to pass an item does not forego the opportunity. I say this seriously, it does not forego the opportunity of the member to raise, or indeed, and I appreciate that he has other colleagues to consult with in terms of raising questions, but perhaps we can pass it.

MR. ADAM: We're talking about big money here now. We're starting to get into the nitty-gritty here, \$34 million. I wonder if we could pass this item and maybe move that committee rise.

MR. ENNS: Am I hearing a suggestion from the Honourable Member for Ste. Rose that he is prepared to pass this item and this section that we then rise?

MR. ADAM: Yes. Pass this here and then we . . .

MR. ENNS: Mr. Chairman, I am agreeable to those kind of deals.

MR. DEPUTY CHAIRMAN: It is at the discretion of the committee. 4.(d)(2) Other Expenditures, \$802,000 — pass;

Resolution No. 71, \$34,561,000 for Highways, Transportation and Maintenance, Highways and Airports — pass.

MR. DEPUTY CHAIRMAN: We have a motion that Committee rise. Is that agreed? (Agreed) Committee rise.

SUPPLY - MINES, NATURAL RESOURCES, ENVIRONMENT

MR. ABE KOVNATS: I would draw the Honourable Members' attention to page 64 in the Main Estimates, Mines, Natural Resources and Environment. We are on Adsolution 83, item 3, Mineral Resources, (a) ministraton (1) Salaries — pass — the Honourable Minister.

MR. RANSOM: Mr. Chairman, at 4:30 I had just read into the record again a theory of Professor Kierans which went along the lines of a bit of capital decision and determination and that was all that was required; it's almost like a little faith and trust and pixie dust and they're all off to Never-Never Land. — (Interjection) — And that's the kind of naive sort of theory, I think, Mr. Chairman, that very few socialists would be able to refuse, and the Honourable Member for Inkster likes the theory so well that he kept saying, "Read it again, read it again". I believe that that was indeed one of the main basis of the former administration's policy was that report, and the findings of that report and its recommendations. And, Mr. Chairman, the theory wasn't valid in 1973 when the report was put out and it's not valid today. I just would like to outline a few of the conditions that existed at that time and that continue to exist today, with respect to the mining industry.

Starting in about 1970, around 1970, there was a general decline in investment in the minerals industry in Canada for a number of reasons, but nevertheless a general decline in investment started about that time, and as an indication of that, we can see that from 1961 to 1978 the mining sector accounted for an average of 3.1 percent of the capital investment. But for the past five years the investment in mining industry has been lower than the average of the previous 17 years. So you can see that from that, obviously, the industry is not attracting the investment that it did previously.

Also the peak of economic discoveries, the discoveries of economic mines peaked about 1955, Mr. Chairman, and the peak of new mines brought into production occurred around 1966. In the period of 1951-55, in terms of 1977 dollars, it was estimated that it cost about \$3.6 million to discover an economic mine, an economic ore deposit. That was how much money had to be invested in

'51 to '55.

The period of '71 to '75, the amount of money that was necessary to invest had risen in excess of \$27 million. Some other statistics, Mr. Chairman, the Canadian share of the world nickel market in 1961 was in excess of 59 percent. That declined to somewhat over 30 percent in 1975. From 1968 to 1978 labour costs in mining had gone up more than double. From 1968 to 1978, even though the general rise the deflator figure that's used by the Federal Government was in excess of 100 percent from 1968 to 1978, price of nickel only rose 110 percent in that period of time and the price of copper rose 11 percent in ten years.

In the first quarter of 1978 there was approximately 70.8 percent of the capacity of the mills and plants was being used in the first quarter of 1978. In the period from 1966 to 1970 the Toronto Stock Exchange mines and metals index was about 450 points or 1/3 higher than for the Toronto Stock Exchange 300 index. It was about equal from the period of 1971 to 1976 and is now somewhat below. At the same time the industry is facing increased competition from other countries, mines are being developed in other countries, and from the period of 1969 to 1975, profit on shareholders' equity in mining invested in Canada from 1969 to 1975 was 11.4 percent, Mr. Chairman.

An additional conclusion that was drawn from a study entitled, "The Decline of Small Mineral Enterprises in Ontario," this was put out by the Mineral Resources group, Interior Ministry of Natural Resources in August 1978, and they arrived at the following conclusions:

They said, "Mineral exploration is a more risky venture today than it was in the past. At the same time low returns throughout the industry make it difficult to attract investment even for large established enterprises. Increasingly mining companies are relying on debt as opposed to equity financing."

Well, Mr. Chairman, the theory that was put forward by Professor Kierans, as I say did not make sense in 1973. It's not valid even to attract investment in the private sector in the matter in which his report outlined. And certainly if it was not valid for the private sector, it is even less valid for an industry that would be run and controlled by the public sector. Now just to quickly review the two points I have made previous to 4:30 saying that the two main thrusts of the previous administration were high levels of taxation and ownership.

Now as opposed to that, Mr. Chairman, the policy of our government would be to have the industry and private ownership and to have a level of taxation that recognized the risk factor that is involved, and the necessity of having enough profits for reinvestment in the industry. I think we have to recognize that the nature of the previous administration's policy was going to lead eventually to public ownership of the whole means of production in the mineral resource area. I don't think there is any question about that, Mr. Chairman, and I think that we must recognize that. The reason behind some of the approach of the previous administration was that they could look at the profits that the private sector generated and think that we can take a larger proportion of those profits to be used for providing services, I suppose, for people in the province.

Initially it perhaps makes some sense. There are profits there and you can take a greater proportion of them. But what their theory doesn't recognize, Mr. Chairman, is that they will eventually destroy the basis that generates the profits. You can assume that, through public sector ownership of the mining industry, that there will be the same level of profits generated as there is generated by the private sector. And I know the Honourable Member for Inkster will dispute that because in his opening remarks he referred to how Albert Koffman was going to manage the Manitoba Mineral Resources in the same fashion that he would manage a private sector operations. That may be true for a period of time, Mr. Chairman, because there are enough people around who have been trained in the private sector and who know what it is to operate in a competitive environment that they can for a period of time perhaps make a public enterprise operate in a somewhat similar fashion. But once that that pool of knowledge disappears, Mr. Chairman, then I submit that the efficiencies of the private sector will disappear along with it. In the short term certainly there are some attractive things about looking at a large profit and saying let's have that for ourselves. Let's own that and we'll generate all that for the people.

But what happens in the long run, Mr. Chairman, when an industry doesn't recognize the same competitive constraints that are upon the private sector? What happens when they are not threatened with oblivion if they don't continue to make a profit? There is a very real difference between the public sector and the private sector in those two things. Unless there is some kind of reward to maximize the application of technology and energy, then the level of efficiency in the long run is simply not going to be as high in the public sector. And over a period of time those very profits that they look at so enviously are going to disappear. From the approach from the policy that this government is going to take, Mr. Chairman, the short term is going to appear to be less favourable than the approach of the previous administration.

Because in order for us to make our levels of taxation here competitive with other jurisdictions in Canada then there is going to have to be a reduction in the level of taxation that's

applied to the mining industry. The trade off for providing; there's going to be a long term viability of the mining industry in the province and there will continue to be taxes on profits which will provide the services that people need.

And what the honourable gentleman opposite often do not seem to recognize is that the level of services that can be provided is only that level which the economic system is capable of supporting.

That, I would say, Mr. Chairman, is a general outline of the two approaches to mineral resource development. I believe it will be, I know it will be a subject of debate now and it will be subject of debate in future elections. I'm quite confident of the the ultimate outcome of our approach, but I think there are enough statistics available now to give us some indication of what has been happening. So I think if we can look at what happened under the previous administration, under Regulation 328-74, in which the government undertook compulsory participation in some 90 agreements with the private sector, the investment in those to date has been approximately \$9 million. The investment, through Manitoba mineral resources has been about \$4,643,000 and the direct investment in site specific exploration within the government itself, within the department itself, was \$1,870,000 for a total investment, without any consideration of interest, in excess of \$15,500,000 in what would actually be called exploration by the industry.

So in addition to expending that much money, Mr. Chairman, the previous administration managed to alienate a significant portion of the private sector. You know the Honourable Member for Inkster still can give us names of companies that continued to operate in Manitoba, in many cases companies like Sherritt-Gordon and Hudson Bay essentially have no choice but to continue to operate. They have their facilities here, and naturally they're going to expend money to look for further deposits. But an interesting comment has been made by the Granges Exploration people, the company that has discovered the Trout Lake deposit, which the Honourable Member for Inkster says that the government in partnership with Granges discovered. Well, that's not quite the story that Granges would put forward; they say that it was really Dave Barrett's policies in British Columbia that led to them being here in Manitoba exploring, because when Mr. Barrett brought in his mining policies in B. C., they were so bad that Granger left there and came to Manitoba because Manitoba still in 1974 had what they regarded as a reasonable climate for investment. Then after commencing their exploration program in 1974, then the regulations governing compulsory participation were brought in and the government assumed the 50 percent interest in a program that was already under way.

So, you know, he doesn't really regard that as a joint find by the province and by the company.

It is an interesting thing, Mr. Chairman, that the policy at that time — and again I refer to a document prepared by the former Deputy Minister of the Department, and this was some time after passing the compulsory participation regulations — and he says that the government believes that if the initiative is not taken by the private sector, it has the duty and responsibility to pick-up any slack that may occur.

He goes on to say, "The government's purpose is to strengthen control by Manitobans over their own mineral resources, and to reduce dependency upon outside of province institutions," and I referred to that quote previously. Then he says, "The government seeks to achieve this end through co-operation with the private sector, but if the private sector is unwilling, or is not in a position to move in essential directions, then the government will take the initiative in specific circumstances."

Now, that's a curious kind of co-operation. The government seeks to achieve this end through co-operation, Mr. Chairman. Actually the co-operation was that they had a regulation which required that any company doing exploration in the province with a program costing more than \$10,000 had to allow the government to be a partner, so naturally under those circumstances there was bound to be some reluctance for investment, and the province is then able to say, "Aha, we must move in and pick up the slack in order to maintain the level of exploration."

And the Honourable Member for Inkster uses a figure, has used it a number of times, with respect to \$16 million of expenditure in 1977. Well, Mr. Chairman, that figure is not correct, because that figure was an estimate that was made earlier in 1977; the figure includes more than is normally considered to be exploration expenditures, there are more types of general surveys involved in that than industry would normally consider as exploration. But that's fine, we can use comparable figures to that for comparison purposes.

The Honourable Member also said that that did not include on-the property exploration. —(Interjection)—

Well, Mr. Chairman, my information is that the total figure of expenditure that year as calculated by the same basis the honourable member is using came to a little better than \$15 million, including the on-property expenditures, —(Interjection)— and the provincial government's share of that \$15

million, was \$6,520,000 or 43 percent of the investment was made by the people of Manitoba; there was some additional investment that was made through the federal government in cost-sharing. Now, I said previously that the total amount of money expended in actual site exploration through the agreements and through the Manitoba Mineral Resources, and within the department itself, was in excess of \$15,500,000, without any regard for interest, which probably would add a few million dollars on to that. All that we have to date, for that, Mr. Chairman, is one find and it may prove to be a profitable one, but we should not lose sight of the fact that it is going to require an investment of many more millions of dollars before there will be a single penny returned from that investment of over \$15,500,000.00. So, until those figures are in, we cannot say what kind of return there is going to be.

But there is an excess of \$15 million, in essence the province has had to borrow to invest in that enterprise.

And that was probably lucky, to be able to have a find with the expenditure of that amount of money, because I just quoted the figure that said from '71 to '75; it requires an average expenditure of about \$27 million. Now, with the policy that the previous administration had of participating in every agreement that was submitted, of course there would be no selectivity at all. We would take the good and the bad, and even though you might get some winners, you would get an awful lot of losers at the same time.

MR. THOMAS BARROW (Flin Flon): You play the law of averages.

MR. RANSOM: Well, you play the law of averages, the honourable member says, and that's why the profit on shareholder's equity in the mining industry from 1969 to 1975 was 11.4 percent. That is not the kind of return that really encourages people to haul out their hard-earned earnings, savings, and invest it in a high risk enterprise like mining development.

Sure, you can look at a company once it's established, and say there's not much risk involved, but you've got to look at the entire range of exploration and development before you can keep it in proper perspective. And that's what the policies of the previous administration were doing, was taking all exploration programs, indeed picking up some that the company putting them forward, wasn't spending any current dollars on it. They had expended some money and the province had agreed to put in 100 percent plus the management fee to try and bring the public interest up to the level that the owner had had. Now, those were some of the things that took place in the period of the previous administration.

I'd just like to review briefly now what has happened in the past time that we've been in office, and a year ago I really wasn't in a position to be able to say that there had been an increase in exploration by the private sector, because we hadn't been in office long enough, and I was confident that there would be.

Now, some of the things that we have done, of course, was to end the compulsory participation aspect in that regulation, and we also promised that we would develop a competitive taxation system in the province. And, on the basis of those — basically of those two things, we are now witnessing a substantial increase in the investments in the mining industry by the private sector in this province, and at the same time we are seeing a decline in the amount of money that the public sector is having to invest in this sort of enterprise.

And we are also getting companies returning to Manitoba, companies who had been here before and hadn't come back during the period of the previous administration's compulsory participation, and companies like Noranda, Cominco and Sellco; we also have a number of large companies that had not hitherto been here in the province and involved in exploration, such as St. Joseph Exploration Limited, BP minerals, Rio Tinto Canadian Explorations. Now, the government — the total level of expenditure in 1977, and this would be using figures that are the basis of Statistics Canada figures, not the sort of figures that the Honourable Member for Inkster was using in his total of 16 million.

These figures show that in 1977 there was a total expenditure of a little more than \$9 million on exploration in the province, and of that total the government contributed \$4,126,000 or 46 percent. In 1978 the total exploration dropped off somewhat to \$8,450,000, but the government expenditure during 1978 was only \$1,930,900 for a reduction of \$2,196,000, Mr. Chairman. So that the private sector, even in 1978, before some of the regulation changes had been made and before the taxation system had been changed, the private sector had increased their investment in the province by about \$1,600,000. To date, in 1979 we are reasonably certain, I'm confident in predicting that to date, exclusive of any government investment, the private sector will be investing in excess of \$9 million, exclusive of any government expenditure, Mr. Chairman. So, it's quite clear that the policies that we have brought in have led to outside capital, increased capital investment in the province, and a reduction in the amount that is necessary for the public to borrow to prop up

A couple of other indications of increased activity in late fall of '78, the amount of ground staked in the province increased during 1978, totalled at 393,727 acres as opposed to 266,175 acres in 1977. The companies that are in the province now or returned to the province again, or new ones coming in spent \$316,500 on exploration in '78 and we anticipate that they'll be spending about 81,167,000 in 1979.

So I think, Mr. Chairman, that that is a reasonably brief and accurate outline of what has actually taking place in the province in the past few years, and it would appear, on the face of what's happening now that we would once again be seeing the development of a viable private sector mining industry in the province.

MR. CHAIRMAN: The Honourable Member for Inkster.

MR. GREEN: Yes, Mr. Chairman, I'm glad that the Honourable Minister has given us the figures, which confirmed that mining exploration activities have been reduced in the Province of Manitoba in 1978 and 1979 and no matter how euphemistically he wishes to present them, he can't come out with anything other than that the figures have been reduced, because in 1978, by his figures, total exploration was \$8 million. In 1977, by his figures, total exploration was \$9 million. If you add inflation to the fact of the \$8 million the reduction is even more pronounced than he makes it, and if you go to 1979 the reduction is still more. And, Mr. Chairman, we were talking about the first year of our program. The first year we had \$9 million in exploration, using the kind of statistics that he wants to use, and in his first year he has less money by at least 10 percent, which takes into account two years inflation. So no matter how you cut it, Mr. Chairman, the amount of exploration activity in the mining industry has been reduced.

Now, Mr. Chairman, my honourable friend has a savings. He says, "We only count the private sector." Well, how doctrinaire can you be? You want to talk about exploration activity or do you want to talk about what's done by the people who you can't live without? We will die. The Province of Manitoba is at their mercy. If we do not call them in, we don't survive. We survived very well. We survived better when we were doing it than when they were doing it, and more activity was taking place.

Mr. Chairman, I am very happy that you have read these figures because I have — not the figures but more the policy, because I will now be able to convince many of my party colleagues — not members in this House but members in the New Democratic Party who didn't believe that we had a public ownership policy vis-a-vis the mining sector — and I'm glad Mr. Minister that you have at least told them that we had a public ownership policy and that the policy no doubt was one in which we would co-operate with the private sector and absolutely no doubt that if they did not respond we would pick up the slack and make sure that there was a mining industry in the Province of Manitoba.

One thing, Mr. Chairman, that the Minister has not been able to say, he has not been able to say that if this figure goes down he will be able to do anything about it. At least when we were in government we were in control. We could tell the people of the province that there would be a mining industry in our province. This Minister can't tell them that. All he can say is that we hope that the private sector will come in.

Now, MR. Chairman, the Minister started his remarks by saying that the mineral policy is one of the reasons that I am over here and he is over there, and that the mineral policy as we fight it in the next elections will be one of the reasons that I will stay here and that he will stay there, and that if I don't change my mineral policy I will always stay there — stay where I am in this seat. If I change my mineral policy I will become him and there would be no purpose of being in politics at all. So what is the Hobson's choice that I am getting? What he's telling me is that I can go over there if I change my mineral policy. Well, Mr. Chairman, what would be the reason for being in politics in the first place?

But there is a problem with his analysis, Mr. Chairman. Would it were true. Would it that it was the mineral resource policy that formed the basis of the issue which was before the people in the last campaign. Because if it were, Mr. Chairman, I would be over there and he would be over here.

You know, one of the amazing things about the Schreyer phenomenon is how the opposition use it. In 1969, this New Democratic Party went to the public on the basis of a firm policy. There's no doubt. The issues were clear, they were radical, dangerous changes, so radical as the elimination of Medicare premiums, which is now a Conservative policy. So radical as the provision of public automobile insurance, as the re-organization of Greater Winnipeg. There is absolutely no doubt that those were the issues in the campaign. When we won the campaign, they said, we didn't win — and by the way, Mr. Schreyer was hardly involved at the time that those issues were formulated, they were all formulated while we were in opposition. When we won on those issues, the opposition

and the editorial staff of the papers had to remove that victory. So they said, it wasn't the policies that won, it was the Leader, Mr. Schreyer, who won. And therefore, we never won on those policies. The things that we won on, we were not given credit for.

Last year, we ran on what? Leadership you can trust. But Mr. Minister says we lost the campaign on the resource policy. So when we lost on issues that we never fought on, they blamed the issue. When we won on issues, they give credit to the Leader. So that we never win, Mr. Chairman. By my learned friend, by my honourable friend's standards, we never win. We lost the election on the campaign, Leadership you can trust, pushing Mr. Schreyer to the forefront, and when we lose, it wasn't Mr. Schreyer who lost, it was the mineral resource policy, which hardly had an airing in the province of Manitoba. And I say that it will have an airing, a much stronger airing, I hope, next time, and I am happy to go back to where we were in 1967 and win the election on what we are saying here today, because at that time, we also had a resource policy which was very similar to what we have now.

At that time, the Conservative administration had invested \$100 million in a forestry complex which was to be owned by private people. We had a simple business-like policy. We said, if you put up the money, you should own it. And a lot of people who are not Communists said, "that sounds reasonable. If you put up the money, you should own it". The Conservatives say, "we should put up the money and the private person should own it because he is much nicer than we are, much more competent". And the public said, "well if he's so competent, why does he need your \$100 million?"

Those were the issues, and I tell my friend that if he thinks that the resource policy is what put the Conservative Government into power, then look to Saskatchewan where resource policy was the issue, the clear-cut issue. That's what the whole election was fought on. They didn't say, elect Allen Blakeney, they said the public of this province took into public ownership the potash industry because we believed that the people should get a better share of their resources.

And the same rural population, farmers from districts such as the Member for Morris represents and districts such as the Member for Souris-Killarney represents, voted New Democrat on the resource policy. Mr. Mardon has a peculiar form of twisting things around. In Manitoba, he says the New Democrats can't accept their own defeat. The people of Saskatchewan somehow need a mental institution. That's what he says about the people of Saskatchewan because they voted New Democrat. They voted New Democrat because they had a very good government, and a government which was prepared to stand before the people on the issues.

Now, Mr. Chairman, my honourable friend referred to, at the beginning of his remarks, a report of Eric Kierans. And I liked what he read. And indeed, I thought that the Kierans Report was a very sound document. The only areas in which the government differed from the Kierans Report is that we said that we are not going to start his proposal with regard to existing operations. We will start from square one on the basis of making the kind of investment that those companies make. But Mr. Speaker, my honourable friend referred to Eric Kierans' remarks, now listen to what he said about Eric Kierans. "Faith, trust, and pixie dust". Is that right? "Faith, trust, and pixie dust". At least he didn't say that Eric Kierans is a socialist out of envy, that he is a poor man who envies rich people, that he envies what other people have been able to achieve, that he is not competent and therefore he envies people who are competent.

Who are we talking about? Are we talking about Karl Marx? Are we talking about a person who has lived on poverty and envied riches? We're talking about the former President of the Montreal Stock Exchange. That's who we're talking about when we're talking about faith, trust and pixie dust. Well, let me tell you, Mr. Chairman, that Eric Kierans could buy and sell the Minister fifty times over, and he is talking from the point of view of a business man. He is not talking about faith, trust and pixie dust. He is talking about the province operating as a business would operate. He is presently the owner or major shareholder of his own business, which does very well, thank you. He has never had to be a socialist as my friend the First Minister says, out of envy. And furthermore, what he says makes absolute good sense.

Mr. Chairman, when my honourable friend talks about mining, he is far more discouraging, if the mining industry listened to him, than anything I said in eight years. What he says is that the mining companies are all going to go broke, that it's a risky investment, that there is no return, stay out of it. And then, Mr. Chairman, he says they are all coming in here. Stay out, there's no money in it, it's a big risk, you're not going to make anything, but they're all coming in. Mr. Chairman, is my honourable friend saying that the mining companies are all idiots, that they are coming into the province of Manitoba to put money here, that really there is a board of directors sitting in some office in New York or in Toronto or in London, or in South Africa, and they're saying, we've got \$10 million extra dollars. Let's turn it into cash, go into an airplane and throw it into Manitoba because we like to put money into the province of Manitoba.

Mr. Chairman, I want to tell my honourable friend that the mining companies do not put money

into the Province of Manitoba. They take money out of the Province of Manitoba. And, if they didn't do so, then there would be no shareholders in mining companies. And if he thinks that he's pulling a fast one on the mining companies by saying it's a terrible risk and there's no money in it; let's stay out of it but let's lure some companies in here to lose their money in the Province of Manitoba, he's got another think coming, because they are not fooling. They are willing to exercise the kind of courage and initiative —and I have always given them credit for it— that he on behalf of the people of the Province of Manitoba will not exercise.

And, Mr. Chairman, there is one thing that I got absolutely no criticism for except from mining people and economic editorialists of newspapers, was the mining policy of the Province of Manitoba. Nobody criticised that policy. My honourable friend says, and even if he was right it would be good, he says we put in \$15 million. By the way, before I get to that \$15 million investment, the figures I gave are not my figures. They are the figures given to me by the people sitting in front of you right now and they are not incorrect. I gave them in September; I said it is estimated that there will be \$16 million spent. The \$16 million was not an exaggeration over any figures that were given to me, and my honourable friend confirms it. He says the actual was \$15 something. Well, if an estimate is made that there would be \$16 spent and the actual comes in as \$15 point something I would say that the estimate has not been an exaggeration and if it has, the honourable member knows that the time that it is an estimate and it was fairly given.

Secondly, you say that it doesn't include the Inco exploration. I was told that it not include the Inco exploration. Furthermore, you don't know what the Inco Exploration is. Inco has never been required to give you their exploration figures on their own property. But the fact is that they don't include what Inco spent; we don't know what Inco spent. Inco could have done exploration that we know nothing about. And, the fact is that they did not give us those figures and therefore that figure to my knowledge, that's what I was advised, did not include the Inco exploration. The honourable member changes it to \$9 million and \$4 million and I assume that Statistics Canada uses different figures for exploration expenditures than we do. That doesn't mean that my figures are not correct. The figures I gave were the figures that we measured exploration by and they were the highest figures that ever were registered in the Province of Manitoba. That's what I was told at the time and there has been no challenge to that.

The interesting thing is that using the worst figures, the ones that the Minister comes up with, there has been a reduction, a reduction of more than a million dollars in exploration activity, a reduction of \$1 million plus the inflation factor, which went up during 1978 and went up again during 1979 and, Mr. Chairman, if we had another year at it, our figures would have been up from the \$16 million or from the \$9 that you now count. And both figures leave something out. They leave off, Mr. Chairman, the freeloader cost, because you know the most ridiculous charge that was made about our program is that we were freeloaders, that somehow we were hopping on the backs of other people's programs, and that they were spending money to find something and then we were getting in.

The fact is we went in at Step 1, and we couldn't go in at Step 2. If we did not go in at Step 1, we could not go in at Step 2. But who goes in, Mr. Chairman, at Step minus one? Who are the freeloaders? There is millions of dollars of exploration spent every year by the public and then, Mr. Chairman, there's a map opening and it's described in my honourable friend's report. The public spends this money for aeromagnetic exploration and they open it up and the freeloaders, Hudson Bay Mining, Sherritt Gordon, Inco, come in, take the public expenditure, use it for the purpose of going out and finding their mines. Who goes in at Step 2? It's the private company. If there are to be names like freeloaders bandied about then let's understand who the real freeloaders are, because the public has been spending money under conservative administrations every year for the purpose of doing the aerial mapping and then the private companies come in and see what looks interesting and then go ahead and explore. They're riding on the backs of the public. That's right, if we're going to use those terms which they used about our government. The same people who like to ride on the public free ride used to call us freeloaders because we went in at Step 1 with 50 percent of the money.

But, Mr. Chairman, let's take the \$15 million. My honourable friend says we spent \$15 million. How difficult it is for him to understand. We collected more than \$15 million in taxation based on the new tax rates which were 7 percent when we came in. We doubled them in the first year to 15 percent. We then went to 23 percent and then we went to the two-tier system. And the monies that we collected by the new taxation system more than paid for every penny that we invested in exploration. That money would not have been available to my honourable friend if you didn't have the taxation program which he says he's going to dispense with.

So when he says that he's going to save money, let's make it quite clear that the money that he's going to save he's going to give away before he saves it, because if we had the conservative level of taxation, we wouldn't have had that \$15 million and we wouldn't have had the development

and we wouldn't have had the mine. The one concession I will make is that we didn't find the mine for \$15 million dollars. If we did, it would have been a bargain. He himself says we would have been lucky. But, Mr. Chairman, in that respect his figures are wrong to my advantage, and I shouldn't really be correcting him but I will. It wasn't \$15 million that found the mine. It was \$15 million plus the private sector money and there was private sector money being invested alongside of that \$15 million. So, we are probably pretty close to the \$25 million figure for the finding of the mine. And we weren't lucky, we were just average, but in Saskatchewan they were lucky. In Saskatchewan, with almost the very first attempt they found the uranium mine and, Mr. Chairman, that is going to be developed by the public. But, of course, my honourable friend will say that Saskatchewan is a province that has a commissar for a minister. O.K.

He said that we had a double policy, high level of taxation. I deny it's a high level. It is not 73 percent. That figure is wrong. The Manitoba level of taxation was 15 percent on the first level of earnings, the first tier of earnings up to 18 percent return on investment. I hope that's right. In other words you are entitled to an 18 percent return on your investment on which you were taxed at 15 percent. If you made over 18 percent on your investment, you made 35 percent.

Now, Mr. Chairman, the mining companies would have been very happy to pay on that second tier. I doubt that they ever got to it; maybe Tantalum got to it. But very few of them got to it, and if they had gone to the '73 and '74 prices we would have made it and the mining companies would have been in a very happy position to pay it, but he said it's a high level of taxation. Ask any working man whether it's a high level of taxation. A graduated income tax is something that is known to every working man. The mining companies didn't get it. It starts at 17, doesn't it, but it goes up from there very quickly and what we said was that we are going to apply a graduated system of taxation, and it was all income tax, they didn't pay anything if they lost money.

But he says it was a high level of taxation and ownership. It sounds very socialistic. The Province of Alberta, as soon as the oil prices started to go up, no matter how conservative they are, the Premier of Alberta couldn't exist for one year if he said that he was not going to increase the taxes on the oil companies with the increase in the price of oil, and the Province of Alberta went to a high level of taxation on oil as soon as the price started to go up. He increased his taxes drastically so that the oil companies were screaming, and then what did he do, Mr. Chairman? He went to ownership.

It sounds familiar — high level of taxation and ownership. That's Socialism. It's going to keep the mining companies out of the Province of Manitoba. It hasn't kept the oil companies out of the Province of Alberta. You know why? Because there's oil there and they're still going to make money, and he's got a high level of taxation and ownership. Do you know how high his level of taxation is? Mr. Lougheed has now taken to the public, and this is without counting, I believe, what he's invested in the — although I'm not certain of this — of what he's invested in the Tar Sands in equity, ownership — \$4.5 billion in taxation from oil, three times the budget, the entire budget of the Province of Manitoba.

Do you realize that in the Province of Alberta it is conceivable that if they only collected the oil taxes and used them for current expenditures, they wouldn't have to raise any other taxes. It could handle the budget of the Province of Alberta. If that's not exact, Mr. Chairman, and it may not be — I think it's figures that Mr. Schreyer used to use — it is at least approaching that kind of situation, both of those things. But the oil companies are still in the Province of Alberta, Mr. Chairman.

The fact is that my honourable friend is not going to be able to rid himself of one albatross. He says it's going to take time. He says that we can't count the money yet, but he's got an albatross around his neck. He's got a profitable mine and he's certainly, Mr. Chairman, not going to be so discouraged about the risk and the investment and that it's not going to make money and we can't count, as to sell that mine or give it away, because he knows, Mr. Chairman, that if he did that, if he gave away that mine because it's an embarrassment to him and it's going to show that the people of Manitoba are not lazy, do have initiative, are competent, are able to do these things, he knows that if he tried to hide himself that embarrassment, that he would be sitting over here, if at all, and we would be sitting over there. Otherwise, why doesn't he follow through?

He says that he doesn't believe in the ownership and he doesn't believe in the exploration. He's got both. He says that we can't count it as a mine, we can't count it as profit — not one cent has been earned and \$15 million has been spent — I wouldn't vote him, Mr. Chairman, to be the director of the mining companies that I used to hold shares in, and I did, but if my company was going to say that we found a mine but it hasn't earned us anything yet, it's just cost us exploration, we're going to give it away, I'd see to it that he would be removed as a director and I would get a large majority of the shareholders to vote with me.

That's why, Mr. Chairman, that his entire argument fails by his impossible position. Granges Exploration said that we were not participants, that he ran away from Alberta. Mr. Chairman, Albert

Koffman said before Committee and I believe him, that Granges Exploration approached Koffman, who was not a person who had to — at that time the joint partnership with the Mineral Resources Corporation was not a compulsory requirement, that he approached Koffman — and Albert said it in a very funny way as I remember — he said that you can only spread your money around so much and that he had already bought all that he could buy, and he used some expression which I just can't recall but it will be in Hansard, and he told Granges therefore he couldn't go in on that venture' and Albert sort of kicks his rear end that he missed that one. But it was after he approached Albert that he went ahead with the proposal, and at that time the regulations were in effect and we were a 45 percent partner. But he approached Albert with that proposal.

Furthermore, I was in Sweden and I talked to Granges. They have absolutely no inhibitions about being involved with government. As a matter of fact, Mr. Chairman, I believe that they started in that way in Sweden. I can't recall the exact conversation but they had a mine bought out in Sweden. The money that they are investing now had to do with some public involvement on their part. But in any event, why do we give all credit to the others and none to what we have been able to accomplish?

The Minister just can't let there be any accomplishment at all which will embarrass him. He must maintain the doctrine that the public was not involved, cannot be involved, can't discover anything, and therefore this is an accident that we have a mine and we shouldn't regard it as being something that would happen in the future.

I don't regard it as an accident; I regard it as the outcome of a sensible mining policy, one which . . .

MR. CHAIRMAN: Order please. The honourable member's time is up. We are on Item 3.(a)(1) Salaries—pass — the Honourable Member for Wolseley.

MR. ROBERT G. WILSON (Wolseley): I listened very intently to the debate, Mr. Chairman, and no doubt the former Minister is talking in many areas in a truthful fashion, except that as a small businessman I can't help but feel that those in the private sector and the international corporations are far better able to study market conditions and to get involved in the realities of western civilization, where it would seem to me that if the state was left to manufacture the commodity, that I doubt very much if we would have any increased capital investment in this province.

Really, as I say, it seems to me that from the great pat on the back for one mine in some odd eight years, or what was it, a few years that they went in later on into the particular taxation policy —(Interjection)— is not very much when you consider what happens in British Columbia and also, when you consider what happens if you're talking about the Alberta government having all this money and oil. We know for a fact that the oil exploration in the Virden, south-western part of Manitoba has basically come to a halt, and we know, or we have an indication, and I have faith that there's oil there. And the very fact that in the middle '70s that many lawyers, through oil companies staked out all these leases in the Boissevain area through that office that was there, and instead of coming to Manitoba they went to North Dakota. And right now there's sort of a bush-fire type of thing going on there with oil wells being drilled and exploration and hope and enthusiasm for the future.

I can't help but think of the doomsday attitude that exists in the United States about the energy crisis, and I can't see more of a more hopeful horizon for Manitoba to encourage exploration in the particular area of Manitoba that there's an indication there is going to be oil finds. And the same thing would apply, in my opinion, to the mining industry, because it's a proven fact that when the big international corporations are given a hard time in one country or one province, they simply go to another area where their professional expertise says that these particular resources exist as well.

I can't help but feel that if left to the private sector, that if you're going to create an atmosphere and a climate of fairness in the game, and you're going to have the taxation that is reasonable — what the Minister says may very well be true that some companies would be very happy in the two platform system to pay extra taxation — but it seemed to me it was the very potential threat of that upwards to 50 — or as the Minister talked about, 73 percent taxation, those figures were bandied around, I remember when I was running in the campaign — and it would seem to me that even if the potential for that higher taxation was there. The Minister denied something and I was waving the paper at him, I never had a chance to talk, but in his own paper of April 25, 1974 in the statement of the mining policy, on Page 5, maybe somebody could have drawn the conclusion that you were opportunists and waiting, because you say here that with the option of the agency to participate up to a maximum of 50 percent in exploration and development program.

So in other words, it seemed to the layman on the street that the New Democrats were only

going to take advantage of the winners. I stand to be corrected, but the average guy on the street reading that, or interpreting that from a newspaper story, or unfriendly editorial people, would draw that conclusion. People believe what they read in the newspaper, unfortunately, the majority of them do. So, armed with all this particular climate, it's no wonder that the mining companies went elsewhere. —(Interjection)— The results aren't there. —(Interjection)— They are there? What? One mine? Oh, for goodness sakes.

I wanted to close my remarks, Mr. Chairman, by saying that I think our policy is going to increase capital investment in this province and I think the very fact that North Dakota is so successful in the energy threat and the crisis south of the border is going to open up the entire south-western part of our province in oil exploration, and I think the very fact that as world prices change in certain minerals that there's going to be increased exploration in Manitoba. I really think that we're going to create a climate that is going to allow these international corporations who have all the machinery, who have set up — goodness knows a province the size of Manitoba can't raise the capital and shouldn't be gambling the taxpayers' money when there are companies in the private sector who have all this machinery, all this expertise — who have the marketing conditions around the world, who know where they can sell the commodity if and when they take it out of the ground, and at that point in time — and even I could concur with the former Minister when he says that there is an ability later on that royalty rates may be altered from time to time by order of the Lieutenant-Governor-in-Council.

I think that the time is to invite them all to come in and produce the commodities, produce the wealth for Manitobans, goodness knows we could use a winning lottery ticket somewhere along the way, and in light of all the money in surplus that Alberta has, I think that the area of hope for Manitoba lies in the oil exploration in south-western Manitoba and lies in the production in the mining industry of that commodity which these international corporations and large mines will produce and sell in the world markets, thus creating wealth for Manitoba. And at that point in time, if somebody comes along and points out to us horrendous profits to the shareholders, at that point in time we will have the option to increase taxes as Premier Lougheed has done with the oil industry in Alberta.

MR. CHAIRMAN: The Honourable Member for Inkster.

MR. GREEN: Mr. Chairman, I want my ministerial friend to send that statement to the mining companies and it will scare them further away than anything that this government has ever done. He says you can lure the companies in, after they're in and making profits, you can change the royalties. That you make it — and Mr. Chairman, his policy is, you make it and we'll take it. We never said that we would do that. As a matter of fact that's exactly what he said. He said, you lure the mining companies —(Interjection)— create the climate, get them in, and then if they start making money, take it away from them. That's what he said, change the royalties, by Lieutenant-Governor-in-Council. I want you to send that statement to the Northern Miner. If I was doing what the opposition did when I was on that side of the House, when they phoned Flyer customers and tried to get them to make degrading statements about the buses, I should take that statement, send it to every mining company, and say, here is the Conservative blueprint. Come into the province, start making money, then they'll take it away like Premier Lougheed did.

What we did, Mr. Chairman is, we gave them stability. We said we have a policy, you are entitled to make your money. There is going to be a time when you are going to be making more money. We are now going to set the rate, you have this government's position as to what we will get.

Mr. Chairman, I challenge the Minister to find one mining executive, east, west, north or south, who will say that the former Minister of Mines told us one thing and did another thing. He will not find one. They have never even said it to anybody. They've never said it to any newspaper. So they knew. And when we enacted it, we said, "There are people who are suggesting that we should nationalize the company." We are not going to take the companies into public ownership because if we do we have to pay the market value, and if we pay the market value the interest on the money will be exactly what their return is supposed to be and we will not gain by doing that. These people came here, they came here with reasonable expectations as to what they could get on their investment. We don't think that they should be entitled to windfall profits. Therefore we are going to have a tax which they can regard as being our royalty revenue. The honourable member says he will change the royalties by Lieutenant-Governor -in-Council. Listen to what he said.

Mr. Chairman, when I was on that side of the House I brought in in two successive years, one year a bill which I withdrew, the next year a bill which was fully debated and which we went outside the House into a special Committee to discuss the implications of it. Mr. Chairman, do you know that I didn't have to do that, that the honourable member is right, that I could have in the office

presented a regulation to the Cabinet, passed a bill, no debate in the House on the bill itself. It would be a fait accompli. I would have it my way. If I want to amend it I change the Order-in-Council. I said, "I am going to bring this bill in", and I knew I could bring it in as a regulation, "I'm going to bring in a bill because it has to test, it has to stand the eye of public scrutiny, it has to be something that I can stand up and look across the Chamber and defend, and something which I can justify to the mining companies". But the Member for Wolseley, my member, Mr. Chairman, — he is, yes, according to the democratic process I have to accept him, he's my member — he says that by Lieutenant-Governor-in-Council, after he's created the climate, when the people come here he will change the royalty and take their money away. That's the climate.

I want to tell the honourable member that the companies that he said were leaving the Province of Manitoba were all in the Province of Manitoba. I'm not going to read this list again but I give it to one of the Clerks to take it over to my honourable friend and let him find the multinationals that are not on that list who were exploring in partnership with the people of this province.

MR. CHAIRMAN: The Member for Flin Flon.

MR. BARROW: Just one question, Mr. Chairman. I'd like to ask the Minister if he agrees with the statement made by the Member for Wolseley, that we sucked these companies in and we fine them for their high profits. I'd like an answer, Mr. Speaker. Is this your philosophy? Is this your policy? I'd like you to answer, yes or no, because I'd like to warn HBM and S and INCO of the way you're sucking them in. The next election — man, we'll have it made. Would you answer that, Mr. Minister?

MR. CHAIRMAN: The Honourable Minister.

MR. RANSOM: Mr. Chairman, I believe that I had given a reasonable outline of the position that our government takes, and I need only correct a few of the statements, I think, that the former Minister had made and I believe that the one thing that does need to be corrected, Mr. Chairman, is the statement the honourable member made with respect to exploration, that in fact it has decreased and so on. Well, I had said it decreased slightly in 1978 and there are very good reasons for that, because the participation agreements had been ongoing and companies had budgeted and therefore when we ceased to participate in some of those new agreements then there was some decline, but I would like the record to show, Mr. Chairman, that although the figure, as calculated the best we can in the department, was in excess of \$9 million in '77, and that was a figure calculated in the department, a similar figure for '78 is \$8.450 million —(Interjection)— Right, it's a decrease. But the major item, Mr. Chairman, is that of the \$9 million, \$4,126,000 was public money; of the \$8.450 million there's \$1,930,000 that's public money. Now, in '77, 46 percent was public money, in '78, 23 percent was public money. Now, the honourable members naturally would prefer the 46 and we regard the 23 as being advantageous.

Then I said, Mr. Chairman, that for '79 we already know that in 1979 the expenditures calculated the same way, that the private sector expenditures will exceed \$9 million without any government input, so that the trend very definitely is that outside investment, private sector investment is coming in and is going to more than pick up, make up for the amount of reduction in the public sector expenditure. That's the point that I was attempting to make there, Mr. Chairman. The honourable member says that under his policy he would be able to tell the people of Manitoba there will be an industry, there will be a mining industry in Manitoba. WEELL, Mr. Chairman, all he can really tell the people of Manitoba is that we will spend your dollars looking for a mine. You cannot guarantee, you could not guarantee that there's going to be a mining industry in the province. You could guarantee that you would spend the public's money, that you would take the money that you taxed from Inco, etc., use it for investing rather than using it to provide the services that people want.

If you want to build a jail at The Pas, there you'd take the taxation profits and use it to provide services. All I'm saying, Mr. Chairman, is you can't guarantee an industry at all. He could guarantee that he would spend the money

And with respect to Mr. Kierans' theory, Mr. Chairman, I simply point out that his optimistic statement does not bear out the facts as presented by the taxation review that was conducted by Federal and Provincial Governments for Finance and Mines Ministers during the course of 1978. The optimistic predictions made in that report simply do not fit with the facts as presented in that review. I find it interesting to note that the honourable member would use the argument that somehow because Professor Kierans was able to buy me out fifty times over that that made his argument valid.

I did not question the gentleman that wrote the report. I didn't question his integrity or question

his credentials, how many people he could buy out. I said that his theory doesn't fit with the facts and that any policy based on that theory therefore does not fit with the facts.

The honourable member refers to registering the highest expenditures ever for exploration in 1977. Well, quite honestly, Mr. Chairman, one of the reasons that it's the highest expenditures ever registered is that they were including figures that had never previously been included in exploration. Now if you're going to compare, use a comparable basis, then let us refer to the Statistics Canada information and their estimate is lower than ours. Their estimate for 1977 for off-property expenditures was \$7.9 million. Now in 1971, 1970, both those years were in excess of \$9 million. So it escapes me, Mr. Chairman, that the Honourable Member is able to make the statement that 1977 recorded the highest level of expenditure ever because any information that I have doesn't bear that out unless you use a somewhat different method of figuring in the expenditures, and I guess if we were going to do that we would have to back up and provide the same kinds of figures for previous years.

And I find one or two of his other comments to be rather interesting, I guess, in that he says that somehow that the discovery of the Trout Lake Mine was going to prove that Manitobans were not lazy and incompetent. Somehow that statement is made with the indication that I had intimated that Manitobans were lazy and incompetent. Mr. Chairman, the sort of argument and logic there simply is not supported by the statements that I have made in this House. I have said that in the long run, in the long term we must examine the policies and determine what will be in the interests of the people of Manitoba. I have said that in the long run, the lack of competitiveness in a public sector-controlled industry simply will not sustain the levels of profit that you see in the short term with an industry that is run by the private sector.

He also made reference to some statement that indicated I had said that we would give it away. Mr. Chairman, the record will show that that had never been said by myself.

MR. GREEN: Mr. Chairman, I never said that he said he would give it away. I'm saying that he wouldn't say that he would give it away, such as some of the other things have been given away. The Minister didn't say the people of Manitoba are lazy and incompetent. No, I would say, Mr. Chairman, that that comes as the general sort of conservative statement with regard to the capabilities of the people collectively through their elected representatives to do anything. They just regard them as incompetent. They say governments are incompetent. They don't even exclude themselves from that. I guess the germ of the truth is derived from their own performance, but that's what they say, and I translate you know, my learned friend from Morris regards the government as being some agency which does not have a connection with the people. And I regard the elected representatives of the people, working together, as being an expression of the people. The only way it can be expressed collectively.

Mr. Chairman, I think that the Minister has been rather moderate in the hope that this debate will have taken us as far as we can probably go. I only go back to the original figures.

The figures that were given to me with regard to exploration activity and the fact that they were the highest, were given to me by the Department, who gave them to me as a comparison to previous figures, and they did not go back endlessly, they did not go back to a year in which Inco spent money after they found the mine at Mystery Lake and did tremendous exploration in that year. They took a normal exploration year and said that the year 1978, as far as moneys expended, was the highest on record. And they obviously included things which they think are exploration, which Statistics Canada didn't include. But the Statistics Canada figures don't change that very much. What we have is \$9 million expended in 1977. That's your advice to me of the Statistics Canada figure. Now that's mineral activity, and what we kept on being told by the media, and by the Conservatives, is that mineral activity was coming to a standstill in the Province of Manitoba. They didn't say private mineral activity; they said mineral activity. It's the Tories who are being doctrinaire. Is it the activity that you're interested in or the label of the activity? Is activity in the exploration of minerals considered to be bad if it's done publicly, because mineral activity was \$9 million in 1977; it dropped to \$8 million in 1978. Those are your figures. You can take off another 8 percent and say that it dropped to about \$7.5 million because of inflation.

In 1979 you said it will exceed \$9 million, I don't know by how much, but if it's the same \$9 million then it will have dropped by roughly 18 percent, which is the rate of inflation over a period of two years, and we will have a drop in mineral activity again. So in these two years it has gone down from what it was in 1977, and 77 was the first full year of our program.

But, Mr. Chairman, the worst misrepresentation is that I was spending money that would otherwise be used for social services or for the jail at The Pas. When the Minister reduces the taxes to the mining companies, the money that we were spending on exploration will cease to exist as public moneys. Don't you understand that? The money will not be available for service to The Pas. I was not spending money that was otherwise available. I was spending money that the Minister is going

to give to the mining companies, and they're going to spend it and the \$8 million that they spend will be exactly the same \$8 million that I spent. Except what will happen is that I have gathered it in from the mining companies, have spend it; we are then 50 percent owners. He will give it to the mining companies, they will spend it and they will be 100 percent owners. That's the only difference. It's the same money, there's no change in the money. And therefore, Mr. Chairman, the policy will be self-defeating. The mineral activity will go down, he will be spending our money, the people's money that we succeeded in getting because we had a new policy, and instead of owning 50 percent of the development he will own no part of the development and the mining companies will get it. There will be no less money spent; there will be no saving in exploration dollars because the exploration dollars represents the high taxation that you are talking about, which is not high taxation at all, it's reasonable taxation.

MR. CHAIRMAN: The Honourable Member for Wolseley.

MR. WILSON: I rise, Mr. Chairman, because I thought some clarification was in order because I felt like I did in my reply to the Throne Speech, that this is a very serious matter and I appreciated the humour which brought the Member for Flin Flon to his feet. But at the same time I'm dead serious and I think that history will prove that my serious thoughts are really sincerely delivered in the fact that I think there will be a mining industry in Manitoba, and there will be an oil industry and there will be increased sales of our power, hydro power in the north through these particular accelerations and I certainly believe you have our way and their way. And I say our way because I agree that the approach may be one that I envision, but the NDP way was one of creating a climate where they were partners from Day One without putting up any manpower or anything, they took 50 percent, they had options and they had a two-tier system of taxation.

Whereas you have our way, which is going to, in my opinion, create a climate because you're going to reduce taxation. You're going to show them the success under other particular climates such as ours throughout the world that have created a western civilization atmosphere. And I would think that all of these companies if this climate is created, and they come in here, and they have the market to sell these commodities because of their expertise in the industry that they know best, they know it far better than the state, that when they create and when they get this wealth, which flows on down under an umbrella effect to the entire population of the area — and I can think of Inco in Thompson. Certainly the increased power sales there, if they were in full production, increased jobs, increased wealth, you name it, that town is definitely involved in the success of increased production in the commodity of Inco's production, and I can see a fantastic future for the north if our mining industry gets moving.

And when there showing these increased profits, Mr. Chairman, I would say that any man, and any man in small business or anywhere, that is in the climate of wealth, is in the climate of profit, is in the climate of success, will be glad to share that success with the Province in which he has that particular plant and production. And naturally he'll bargain as they with Premier Lougheed.

But that's my thoughts, that after these particular mines are in production and the commodity is being produced and these people who are expert in the industry are selling this commodity throughout the world as you could take for an example, maybe the Kaiser Resources Coal Development of British Columbia. And those type of things, where people with know-how came in and created wealth for an area that was beyond the imagination when they first started. I would think the same thing could apply to the mining industry in Manitoba. You create the climate and I think that's what our way is doing.

The former way was a particular way in which the state became partners from Day One. So if you had a choice of five or six places where this particular commodity existed, or was suggested existed by your geologist, you would naturally go to the ones that had the favourable taxation climate, the one where you could get into production with the least cost, and share the most profit. And I don't see anybody jumping and running in here because the government and the state was going to be partners from Day One and with that threat, and the potential was there for increased taxation.

I can't see anything wrong with our government saying that we're going to create the climate for you to come in and get these commodities moving and then, if and when that success comes, and I say it will come, I predict it will because, well, even on all these particular documents when you go back in history, and one good thing about the government they don't throw anything away.

Even when you talk about petroleum and gas in the Province, you can tell it's there because of the North Dakota oil fields. In 1972 there was over 5 million barrels valued at \$15 million, and where did it go after 1974 when the horror story that was created by the Member from Inkster

drove a lot of the oil exploration people into North Dakota and he says that Manitobans, in Clause 5, must jealously guard their resources. Isn't that what you said? But for how long, how long are we going to hoard these hidden treasures of gold that are going to create some kind of wealth. Half the businessmen in this town are tired of taking planes out of here to different parts of North America to make money to come back here so that they can turn around and hang on for another couple of years.

MR. GREEN: Mr. Chairman, I wonder if the Honourable Member would permit a question. Mr. Chairman, does the Honourable Member really say that I kept oil in the ground, which was selling at \$3.00 a barrel, that's the figure that he used, that I kept that oil in the ground which if we now take out, will sell for \$12.00 a barrel and that I made the people of this Province \$9.00 a barrel on the oil?

MR. WILSON: I'm simply saying, Mr. Chairman, and how well the member puts the words, I'm simply saying how long can this Province go —(Interjection)— why are we keeping it in the ground forever while our counterparts in Alberta are enjoying zero taxation growth, as far as their tax bills go? I think the taxpayers of this Province deserve the debt of this Province to come down from \$131 million or whatever it is today. Just think of the balance of payments and I'm quoting from my own talk when I talked about the balance of payments. If we produce one barrel of oil in Manitoba, instead of importing that same barrel from the Middle East from Venezuela, or wherever, that to me, helps the Manitoba economy, that's called balance of payments and I think it's time that the taxpayers of this province had an opportunity to enjoy some of this balance of payments that so many of the economists talk about. I think we should get the oil out of the ground in southwestern Manitoba, as they're doing in North Dakota, and I think we should get on with some of these mineral finds and sell some of the commodities that I know that Inco can produce and sell and then they will use our power, that surplus power that we have that we can sell them from the hydro projects in the north.

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

MR. BARROW: Mr. Chairman, being from a mineral-bearing part of the country, I think I should just say a few words on it. I'll try not to be repetitious and I'll be very brief, of course, but they talk about not accepting gambles. You know, I think you gamble the day you're born. Farmers gamble and they take a big gamble and they'll admit it every year on the crops they gamble. Businessmen gamble and if you don't believe in gambling on the surest thing, then they should put you in a glass cage where you have no risk, but we believe in the north that minerals are the lifeblood of the north. We think there are more minerals in the ground in the north than ever come out of the north and if we didn't think that, we wouldn't be there. Hoffman, who my colleague mentioned, answered that question. They asked him what he thought was the potential minerals in the minerals country and he said: "If I didn't believe that there's more mineral there than ever come out of that, I would quit this job today and sell peanuts on Portage and Main." We have that faith in the north.

Mr. Chairman, it's very important to me to put across the views of my people and how they think and the Minister, and I have no doubt in his ability; I have no doubt in his thinking, but he's not a mining man. I don't think he ever worked in the mines and I don't think my colleague ever worked in the mines, which doesn't detract anything from the performance of this House. —(Interjection)— Yeah, you shovelled a lot of coal but Mr. Chairman, when you go back to finding ore bodies and you've got to go back to the old-time prospector. The old-time prospector was a unique man, a character. They were willing to go out in the north country for six months, ten months, a year, alone, and prospect for ore. The HBM and S that I know, the facts I know, would grubstake them and that's what they got. Many times if they found ore samples, which was then on the surface, they would return and many times they weren't paid for this. They were fairgame. If a company could get ahead of them, they did this, to listen to the old-time prospectors.

Then when we come into an area, Mr. Chairman, where they had machines that would pick up ore bodies to a depth of 400 feet, a very simple thing. They'd have a main line, 500 feet apart and they'd put tracks through or roads through the bush in a straight line, 500 feet apart on the main tracks. They'd go over those machines and they would pick up metal content to depths of 400 feet. The only trouble with this, they didn't know what that mineral was. Many times it turned out to be graphite which was not valuable, but once in a while, when you say you struck it rich, they would hit mineral, they'd hit zinc or copper or ore. They would know by the core when they drilled, whether it was high or low or medium and they could determine that ore body, Mr. Chairman, the width and the length and the depth to 400 feet.

So, then, what they did — they'd sink a shaft 400 feet, run levels off that shaft, streets off the shaft, and then they could go down to a depth of another 400 feet. Now, if you're lucky, that ore body widens out. It might double itself 800 feet; double itself to 1200 feet, which happened at many mines in our area. Very few get an ore body right on the surface, what they call "surface mining", such as the big ore body that's south of main shaft in Flin Flon. This is the very cream of it; it's on the top. No transportation cost, just truck it out, truck it in and it's oney in the bank. That's what it's all about.

The Centennial Mine when we talk about prospectors, was found by a prospector who was independent, a private prospector found that, Lou Parrs. He sold it to the company. The company has a lot more faith in mines and minerals than we evidently do, because they're building a \$26 million mill in Snow Lake. Now, if they didn't think for one moment there's more ore there or the ore body is going to get bigger as they went down, they would never in God's world, build that.

Mr. Chairman, when you speak, as my friend did from Wolseley, of profits, the company made \$40 million one year, which was a high year, admittedly, and I see no reason in this world, Mr. Chairman, why some of this \$40 million shouldn't go back into our taxation system and save people the cost of paying taxes. I firmly believe in that. Mr. Chairman, at that time, they were exempt. The first three years of a shaft is exempt from any royalties. This was taken advantage of, terribly.

The Kierans Report, Mr. Chairman, I thought was a good report. If there was anything wrong with the report it was it took too long. What he would do, he would let the leases run out and get the land which would take some time. I would have done that in a matter of days. I think the mining should be nationalized and I have no hesitation to say that; Minnedosa won't agree with me, naturally, being a banker. —(Interjection)—Pardon me? Well, the Royal Bank, for sure, my first effort.

The Member from Wolseley comes across pretty strong. He had the Al Capone idea; build them up and knock them down, which reminds me of a story about Al Capone. It's down in the history book.

He's a famous man, but he's noted for his quote. They said: "What do you know about Canada?" He said: "I don't even know what street it's on." Well, I'm saying the Opposition doesn't know where the north is; don't know where the mineral street is. Now, Mr. Speaker —(Interjection)—Pardon me? No, I didn't catch your question.

A MEMBER: You never will.

MR. BARROW: Mr. Chairman, let's just talk a minute about Trout Lake. No, let's talk about Trout Lake, Mr. Speaker. The Hudson's Bay Mining and Smelting Company are supposed to be professional ore-finders. They are the experts. This Trout Lake is the reservoir for Flin Flon, roughly 3 miles out of town. During the campaign, I met this young chap who is very bitter towards us. So, I asked him, I said: "Look, I don't care how you vote but why are you so hostile?" "Well," he said, "I'm a Geologist and I was working on Trout Lake. We had these paths all cut and the company pulled us off that lake." We stepped in there with another company, Mr. Chairman, and found an ore body that could produce billions and billions of dollars or it might not, but we are prepared to take that gamble and Mr. Chairman, I don't know of any more I can say in this regard, but I'm sure happy the Member from Wolseley is on our side. Thank you.

MR. CHAIRMAN: 1—pass—the Honourable Minister.

MR. RANSOM: I'm pleased, Mr. Chairman, that the Honourable Member for Inkster is not attributing some of the comments to me in respect to calling Manitobans lazy and incompetent. I can stress that we, on this side, regard individual Manitobans pursuing initiatives to be extremely competent and far from being lazy, Mr. Chairman, but when you force those individuals to operate through the mechanism of government in the area of trying to produce economic wealth, that is when the system starts to break down and that is when, in the long run, the profits that are there to be taxed today, will disappear and I don't think that it's possible to demonstrate where any socialist system has been able to provide those same levels of profit. The Honourable Member for Flin Flon refers to gambling, that we should be prepared to gamble. Mr. Chairman, I'm quite prepared to gamble and that sort of thing, as many individual people are. What we object to and what I object to, is the government gambling with my money. If I wish to gamble my money in the mining industry, then I want to be free to select the people who will be managing that money for me. I don't want it to be done by government, whether it's this government or those Members over there in government — much less, those Members over there in government.

With reference again to taxation being available for mining exploration, Mr. Chairman, it must be looked at in the context of the overall level of taxation now and what will happen in the long run. This is one of the things I said initially. We must ask which system is going to provide the benefits in the long term, and at the moment, the levels of taxation that exist in this province and in this country, lead to marginal levels of taxation on the mining industry that can run as high as 73 percent and the effect that that has, is to discourage investment, to discourage people to take risks and put their money into mineral development and in the long run, with that type of taxation structure, those taxes will not be there to be used for either mineral exploration or for the delivery of services, as has been documented in the Taxation Review, which I previously referred to, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Inkster.

MR. GREEN: Mr. Chairman, I'll be very brief. My honourable friend keeps talking about the long run, because the short term figures, which everybody has been using, do not make his case. Let me say this to the honourable member. We are going to try to get elected. When we do, we will try to have a long enough term to be able to prove that, in the long run, we are right.

MR. SPEAKER: 1—pass — the Honourable Member for Churchill.

MR. COWAN: Yes, thank you, Mr. Chairperson. I'd like to take the opportunity on this particular portion of the Estimates, to ask the Minister if he has been in conversation or discussion of any sort, with Inco, the management of Inco in Thompson, or the management of Inco in Toronto, in regard to the number of employees that have been said off in Thompson over the past number of months and in regard to Inco's future plans for the Thompson area for the Nickel Mine in that area, so I'm asking the Minister if he's had any conversations with officials of Inco in this regard.

MR. CHAIRMAN: The Honourable Minister.

MR. RANSOM: I have had conversations with the officials, not specifically with respect to layoffs, Mr. Chairman. I wasn't really under the impression that there had been layoffs, as such, that there had been reduction in the workstaff through attrition and I have had discussions with respect to the level of employment that they have anticipated there and I have had the opportunity to be there and to be in the mine and generally discuss their future plans.

MR. CHAIRMAN: 1—pass — the Honourable Member for Churchill. Order, Order. Before I recognize the Honourable Member for Churchill, we're talking about mineral resources. It's pretty loose when we bring in discussion on personnel. There might be some connection, but I fail to see it. The Honourable Member for Churchill.

MR. COWAN: Thank you, Mr. Chairperson. Well, I would seek direction from the Chairperson as to where I should bring this up, if there is a more appropriate point, but it just reminds me of the story or a blurb I saw in one of the strike newspapers from the Sudbury area, that said that Inco's resources are not in the ground; they're on the picket line and when we talk about resources for a mining company, we are talking about the miners and when we talk about not only layoffs, I might inform the Minister in this regard, Mr. Chairperson, but attrition and firings.

When we talk about that sort of activity happening on the mass scale, that it is happening in the community of Thompson at this time, then I think we have to spend some time to direct our attention as a House to that very serious problem. And if the Chairperson does not consider this to be the appropriate section under which to begin and finish that discussion, perhaps he would be kind enough to tell me which section in these Estimates we should peruse this subject under.

MR. CHAIRMAN: I think that, as I mentioned before, we are in the discussion on mineral resources. I think personnel might come under the Department of Labour, which is another department, not under discussion tonight.

MR. COWAN: Yes, Mr. Chairperson. I don't want to be contrary on this, but what we're talking about here is the operation of mines. And I'll direct the Chairperson's attention to the small explanation under Section 3, Mineral Resources — "Consists of activities pertaining to the management of the province's mineral resources, including the collection, compilation and

of information on mineral resources, disposition of Crown mineral rights, the operation of mines, employee health and safety, and the rehabilitation of mining lands." And I would ask the Chairperson if he can allow me the opportunity to pursue this point under that section or under that clause which says the Operation of Mines.

MR. CHAIRMAN: I would have to reiterate. My ruling is that we are talking about mineral resources. If it was just resources, I would think that personnel might come under that particular category, but under mineral resources, I fail to see any connection with labour, particularly when you will have the opportunity to discuss it further under the Department of Labour. The Honourable Member for Churchill.

MR. COWAN: On that point, Mr. Chairperson, just one brief point. I direct your attention once again to the explanation where we talk about employee health and safety. And if one were to use the Chairperson's logic, then perhaps that clause that says we will talk about employee health and safety under this particular section of the Estimates should not be in there either. Is the Chairperson at the time when we want to talk about employee health and safety, which will pertain specifically to the employees of the mine, going to use that same line of logic and say that we can't talk about employee health and safety because it would come under Labour? I would suggest not. I would suggest in all respect for the Chairperson, I would suggest that when we are talking about the operations of mines, we are talking about the employees that operate in that mine, because if it were not for the employees that operate in that mine, there would be no mine.

And when the Minister informs me from the first question that yes, indeed, he has been in conversation with INCO officials in this regard, I would assume that we should have opportunity to question the Minister further on this very important subject during the Minister's Estimates. And I have taken a quick look at the rest of the estimates and could not see a more appropriate spot, which is why I brought it up at this particular juncture in our proceedings. And I would ask the Chairperson once again to review his decision and to allow me the latitude, or the opportunity to talk about the operations of mines in specific reference to the employees that are operating in those mines.

MR. CHAIRMAN: I would direct a question to the Honourable Minister. I see where it's written employee health and safety, but under the different headings, I can't for looking see under which department that it would be under discussion. The Honourable Minister.

MR. RANSOM: Mr. Chairman, we have no program in this department that is directly related to personnel. We don't have any program that has any direct involvement with the numbers of people that might be employed in a mine. Under mining engineering and inspection, we have people that inspect equipment and inspect the workplace, but we have no program that deals with personnel directly.

MR. CHAIRMAN: I would have to be guided by that information and rule the discussion on personnel out of order. The Honourable Member for Churchill.

MR. COWAN: I'm not certain that I should thank you, but I do thank you for your decision, Mr. Chairperson. I would just ask the Minister then if he can indicate to us what cutbacks in production have occurred over the past year in the Thompson mine, which is run by INCO.

MR. RANSOM: I would have to attempt to get that information, Mr. Chairman, I don't have that at my fingertips.

MR. COWAN: Thank you, Mr. Chairperson. Can the Minister confirm that there have indeed been cutbacks in production levels at the Thompson mine?

MR. RANSOM: I undertook to get the information, Mr. Chairman.

MR. COWAN: Yes, I'm wondering if the Minister can indicate that in his opinion, a reduced level of personnel at the INCO operations in Thompson would result in reduced levels of production?

MR. RANSOM: I'm not sure, Mr. Chairman, just where all this relates to the item before us, and aside from that I'm really not in a position to make that kind of judgment.

MR. COWAN: Yes, I'm wondering if the Minister has been in conversation with INCO officials in regard to reduced levels of production in Manitoba and in specific, in the Thompson community.

MR. RANSOM: Mr. Chairman, again I say that I informed the member that I have had general discussions with people from INCO. I have undertaken to get him information on specific production levels. I think that the question he just asked is simply a repetition of the previous questions.

MR. COWAN: Yes, thank you, Mr. Chairperson. I'll inform the Minister it wasn't exactly a repetition because my first question was ruled out of order and my second question was. I assume if my question had been ruled out of order that the Minister's answer in that regard had been ruled out of order so I thought that it would be appropriate to ask the question again. I think we have an understanding from the Minister that he has been in conversation with INCO in regard to levels of production, whether they be reduced or not, in Thompson, and that I would assume also that part of that conversation would centre around the employment levels at that mine, the employment level being a very integral part of the operation of any mine. If you have 800 employees less, which is what I think INCO has right now over October of 1977, out of a work force of approximately under 3,000 — and I could be off by 500 in that, too high by 500 — if you have that many people that are laid off or fired, or let go by attrition, then you are going to most likely have reduced production. And if you have reduced production, you are going to have reduced revenues to the province through taxation. But what I want to talk about in this specific instance, Mr. Chairman, and I feel that I am in order because it's something that has been discussed at great length by both the Minister and the Member for Inkster and the Member for Wolseley and the Member for Flin Flon over the past few minutes, and that's to talk a bit about what benefits are going to accrue to the people of Manitoba because of the mineral resources that this province is so rich in. And this province is very rich in mineral resources.

That richness, Mr. Chairperson, is a birthright of the people of this province. It is a birthright of all of us. It is minerals that are in the ground that belong to nobody is they sit in the ground. They only belong to individuals or to companies as those companies take them out of the ground.

And I, for one, prefer to see the people of Manitoba, prefer to see the citizens of this province, profit by those mineral resources. And I think that the only way in which we can truly profit by the mineral resources that are within the earth, is to take some control over the entire process, to take some control over the operations of mines. I feel it is a legitimate goal, I feel it is an honourable goal. I feel it is about time that we became masters in our own house so that we did not have to be at the mercy and the whim of the INCO Corporation or the Sherritt-Gordon Mines Corporation or the Newmont Mines Corporation, or the Hudson Bay Mining and Smelting Corporation, many of which don't have head offices in this province, many of which don't have head offices in this country.

I'd like to talk just a bit about what has happened at INCO in Thompson and Sudbury and in Canada in specific. We know there have been cutbacks, we know that INCO has reduced their total work force in 1978 by some 4,500 people. We know that 800 of those people came from the province of Manitoba in the community of Thompson. We also know that 2,000 to 3,000 of those people came from Sudbury. And I think we have to examine, knowing that, we have to examine why INCO did that. Why are we suffering in this province and in this country, suffering layoffs, suffering some attrition, suffering firings, what was INCO's motivation behind that. I don't think that it's been adequately explained.

In 1974, Mr. Chairperson, INCO decided that they would diversify their holdings and take over ESB Rayovac Batteries in the States. ESB Rayovac Batteries in the States employs some, excuse me, it's not in the States alone, it's in the United States, it's in Canada, and it's in 20 other countries. And out of those 20 countries, a rough guess is 19,000 people it employs, of which 952 are employed in Canada. So that takeover of ESB Batteries resulted in the continuation of 900 jobs in Canada, I'm not certain how many jobs were lost because of INCO taking over that particular operation, but it didn't result in any new jobs that I know of, and if it did, it's an insignificant number. But it took a lot of money out of INCO's operating revenues, because when they were in the midst of that takeover bid, what happened was, wind got out and usually as we see in the latest takeover bid, which is happening with the Bay, you like to keep it secret until you're well into it so that you can keep the stock prices down, because when the news of a takeover bid comes out, the stock prices increase very rapidly. And through a blunder or mismanagement, or an error not of their own making, or of their own making, I'm not certain, news got out that ESB Batteries was being taken over. And the price suddenly shot up. Suddenly shot up.

And INCO was so involved in the process at that time of taking it over, that they had reached

the point of no return, and they could not back off, except at considerable loss to themselves. So they had to put the extra money out to take over ESB Rayovac Batteries. At the same time, we see operations in Indonesia and Guatemala being continued by INCO. Now, there's a laterite ore body in both of those countries. There's a couple of differences between laterite ore, nickel ore, and the sulphur nickel ore that we find in Sudbury and Thompson.

The laterite ore, not having sulphur in it, has to be smelted at great cost of outside energy. In other words, when they smelt the ore here in Thompson and Sudbury, they can do so quite readily because the ore contains sulphur and sulphur aids the smelting process. But when the ore does not contain sulphur, then they have to generate large amounts of power in order to smelt it. And that either has to be done by using fossil fuels, such as oil, or by using hydro-electric energy.

Now, they had already commenced their operations in Guatemala and Indonesia and they had sunk an incredible amount of money in beginning those operations. They weren't producing yet. And what happened, we all know what happened world-wide. There was a drastic increase in the price of fossil fuels, and all of a sudden it became unprofitable for them to mine the ore out of Guatemala and out of Indonesia, because they would need to use an excessive amount of fossil fuels. I'm not saying that, they themselves are saying that. I read from their annual report of this year, where they talk about nickel projects in Guatemala and Indonesia. And what they said is based on 1978 nickel prices, and the project's heavy reliance on fuel oil, the Exmibel Project in Guatemala would operate at a loss at full production levels. In other words, if they were to use fossil fuels, they would not be able to make money on the Guatemalan project, as a matter of fact, in reality they would lose money.

It also goes on to say that the long term profitability of the project will depend upon the future relationship and nickel price to operating costs, and they are in a jam in this respect, yet they are operating and they are operating at a loss.

With respect to the Indonesian project, given a favourable grade of ore and the availability of hydro-electric power, the Company believes that based on 1978 price-cost relationships the project, when operating at capacity, would make a positive contribution to the operating earnings. But that hydro-electric power didn't just exist. There was no hydro-electric dam, the name of which is the Larona River Project. There was no Larona River Project that just existed in Indonesia; Inco had to build that, and they had to build it at considerable cost, and they had to build it because fossil fuels had increased in price so much that they couldn't afford to smelt the ore from those areas by using their conventional means of fossil fuels, and as the members on that side can tell us and as the members on this side can tell us, the construction of hydro-electric dams is a very expensive proposition, especially when you have to go back into the mountains as they did in Indonesia to construct it and then bring your power lines out, but they did that, they were locked in; they had to do that.

So what they did was they had an inordinate, an extraordinary amount of capital invested in three projects that they had not intended to invest that much money in. They had it invested in the hydro-electric dam in Indonesia, they had it invested in high operating costs in Guatemala, and they had it invested in a takeover of ESB Batteries and it made their cash flow problem very, very difficult. In other words they made three blunders. They mismanaged on those three specific instances to the extent where they no longer had enough money to . . .

A MEMBER: May I ask to what item of the Estimates of the Department that this particular discussion refers?

MR. CHAIRMAN: I would just like to point out to the honourable members that I was listening quite intently to the honourable member's discourse from — the Honourable Member for Churchill with his comments, and I was just waiting for him to come around to Mineral Resources. I was giving quite a bit of latitude and at this point we haven't got to Mineral Resources under this item. I would direct the Honourable Member for Churchill please to make reference to Item 3. Mineral Resources under Administration (1) Salaries.

MR. COWAN: Yes. Thank you, Mr. Chairperson. Perhaps at times we all need a bit of prodding to get to the point, and the point that I'm trying to get to and the point that I fully intend to get to very, very shortly is to talk about the operation of the mine at Thompson, Manitoba and to talk about how some external factors have created an economic environment and an economic situation where the operation of that mine — and I'm using the words that are here in the book — the operation of that mine had to be curtailed resulting in lost production and lost tax revenues, and then I intend to very briefly then and very quickly, Mr. Chairperson, to tie it into the subject matter that was before us a few minutes ago.

So back to my original train of thought. They had made Inco — the Company, Inco Metals had made three very major economic blunders. At the same time there were a number of other mines throughout the non-Communist and the Communist world that were being developed for production in nickel which was increasing the amount of nickel that was available to the consumers who were using this nickel, and that resulted, using the free enterprise theory of supply and demand, when your supply increases and your demand therefore decreases, that you are going to have your prices drop, and that's exactly what happened. We had prices that stabilized, went down a bit, went up a bit, nickel prices. When that happened it made the Guatemala and the Indonesia projects more uneconomic for Inco.

Inco, in the meantime, had to keep producing and there were eight million tons that were coming out of Indonesia, and there were four million tons that were coming out of Guatemala, and I may have those switched and I may have the wrong figures but the point I'm trying to make is that they were increasing their production there, pushing more Inco nickel on to the market and increasing their inventories.

Their inventories reached such a point that they had to do one of two things. Now remember, their demand is reducing, the supply is increasing on the world market, and they're in a predicament now. They can't sell their nickel for the price that they'd always sold their nickel for. They used to be price-makers in the nickel field and now they're price-takers because of circumstances both within and without their own control.

So they had to make a choice, and their choice was to curtail their Canadian operations both in Sudbury, or first in Sudbury, and then in Thompson, Manitoba and they made that choice so that they could reduce their inventories and by reducing their inventories they would decrease the amount of nickel available to the world consumers and jack the price up a bit — sound economic sense from their standpoint. Okay, they are trying to maximize their profits which they had been trying to do all along with ESB Rayovac, with Indonesia, with Guatemala. They had been trying to maximize their profits, they'd made some mistakes, they'd gotten themselves into an economic jam and they had to, as a result of that, curtail the operation of mines — to get back to the subject — in Manitoba.

And the point I want to make here is that they curtailed that operation at that mine by laying off employees, by firing employees and by some attrition. Some of those employees were my good friends so if I tend to be a little bit melodramatic about this it's for good cause. I was very saddened and I was angry by what Inco did in Thompson, Manitoba and Sudbury.

But they did it because of their own economic mismanagement. But who paid — the workers paid. The 800 workers at Inco operations in Manitoba paid; the 2,000 workers at Sudbury paid for this mismanagement. What is the point that I'm trying to make here, Mr. Chairperson? The point is that we must, if we are to avoid future catastrophies of this nature — and this is no less a catastrophe than many others which have concerned this House — if we are to avoid these sorts of future economic catastrophies for the workers of this province and for the economy of this province, we must begin to take control of our resources. We must begin to become the masters of our own house.

MR. ORCHARD: Nationalize them.

MR. COWAN: Nationalize them, the Member for Pembina says, and you know, there is some opportunity to give thought to courses of action such as that. I may not say, "Nationalize Inco." I may say it or I may not say it; I'm not prepared to make that sort of definitive statement right now without having the opportunity to pursue it at greater length, but I do say, "Nationalize the nickel", public ownership and public control of the nickel, and that is exactly what the former government was trying to do and the former Minister was trying to do.

They were trying to, in the most efficient, in the most effective way possible, give us some control over our own mineral resources, and it is long overdue. You know, the Minister says that we are wasting the taxpayers' money. If we accept that statement from the Minister, then Inco is wasting their stockholders' money and yet they made \$77.8 million profit last year. I want to see some of those profits start to accrue to the people, the people who own the resources. I don't want to see the Inco shareholders take that money out of the economic system and, because of the taxation system, pay less than their due amount of taxation on it because of the loopholes. I don't want to see them have that opportunity.

What I want to see is the people of Manitoba and the people of Canada have the opportunity to accrue some of the benefits that have been going to a very select few, and we do that by taking control, and I know it scares the hell out of the members on the opposite side when I tell them that we are going to have to take control of our own destiny. They're not prepared to do it, and it is a tough, long, hard, uphill battle as the Member for Inkster and the members on this side

can tell you through eight years of experience. It is not easy. Nobody wants to give up power. Inco doesn't want to give up power, the shareholders don't want to give up power, but there comes a time when we have to stand on our own two feet. There comes a time when we have to say to Inco, as they did in Guatemala — do you know why Inco didn't curtail operations in Guatemala; I read you a statement earlier today, because they were afraid what the Guatemalan and Indonesian Governments would do to them. They were afraid they said that the Guatemalan and Indonesian Governments wouldn't let them get away with that sort of economic mismanagement of their resources. And yet this government has sat on its hands, cried crocodile tears for Inco, and apologized for the past — since October, 1977 — for the past number of months for Inco's actions. Well, if there's any apology that's necessary, it's an apology from Inco. It's an apology to the people of this province. It's an apology for making the people of this province, the workers in Manitoba, pay for their own economic ineptitude. —(Interjection)— That's a stop comment from the other side, and they think it scares us when they say "nationalize". They think when they say "nationalize" that we sit down and shudder and quiver and tremble, says the Leader of the Opposition. No, I'm not afraid to say, "Nationalize Nickel". I'm not afraid to put it on the record, "Nationalize Copper, nationalize Zinc and Gold". I don't think there should be any fear.

There are profits that are going to accrue to somebody from the mines that are built in northern Manitoba and they're going to either accrue to select shareholders or they're going to accrue to the people. I prefer to see them accrue to the people. And not only the profits, Mr. Chairperson, but the control, so that we don't have to sit on our hands and apologize, so we don't have to be the slaves to Inco and the slaves to Hudson Bay Mining and Smelting from South Africa, so that we, as Manitobans, and we, as Canadians, and that's what I am, can say, "We have some control over our own destiny and we're not buffeted about by the winds of the capitalist powers, that we have some control over what is going to happen in this province, and here the money — the economic rents that accrue to us from those minerals — where that is going to go to. If it's got to go into pockets, I want it to go into our pockets. I want to feel some of that money in my pocket, Mr. Chairperson. —(Interjection)— And you know something, because I'm not a selfish sort, I want to see some of that money in their pockets, but I want to see us have the same opportunity to have that money. I'm not going to belabour a point which I've had to argue so hard to make but I do want to say that we have to come to grips with the problem.

I worked in Saskatchewan at one time and I was back there during the election, and I walked around one day with a canvasser for the New Democratic Party in a rural constituency. He was a fine sort. He was a great old man. He had a sense of history, and not only did he have a sense of history but he had a solid grip on the future. I wouldn't call him a rabid radical; I'd call him a Socialist — only because he calls himself a Socialist. He may not be, Mr. Chairperson, as far left as I would be in similar circumstances; he may be farther left. Who am I to say?

But I do know that when we went around from house to house, and these are houses that were in a community that bordered a farm area, there were a lot of retired farmers. There were a lot of farmers' sons and daughters in that area who had certain ideas of government. When we walked around to them, every once in a while one would say, "Yes, but you're a Socialist", because the issue, as the Member for Inkster had said, was being fought on the control of resources, and they'd say, "You're a Socialist", and he'd sort of smile and he'd say, "You're right." He says, "And tell me what's wrong with being a Socialist. Tell me what's wrong with using the money from Potash so that we can build the facilities that we need, using the money from Potash so that we can keep premium-free medicare, using the money from Potash so we can build a better Saskatchewan."

Because that's what they're using that money for, nothing else. It is not going to build better private houses, it is not going to build bigger bank accounts for industrialists and shareholders; it's going to build a better province for the people of Saskatchewan, and I want the people of Manitoba, being not a selfish sort, I want the people of Manitoba to have that same opportunity to build themselves a better province and I don't want to see the birthright sold because they're trapped in their 19th century ideology and can't see the tomorrow for the past.

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

MR. PAWLEY: Mr. Chairman, I just would like to say a few words under this section to the Minister. Earlier today, there was an impression generated by the Minister that things would be better left to the mining company and unfortunately that too often is the approach and the attitude of this Minister and this government pertaining to very subject which we are dealing with and in particular I want to relate to the Workplace, Safety and Health act as same pertains to mining engineering and inspection. Mr. Chairman, unfortunately, although we have excellent legislation insofar as our

health and safety legislation and it's been a remarkable improvement over previous legislation, we have a government that is void of any sincere commitment in order to insure that that legislation is used in such a way as to minimize injury and death in our mines.

Mr. Chairman, that is the problem of course with a government whose very symptoms are ones of cynicism, inactivity and passivity insofar as dealing with the problems and the affairs of society and as I indicated no more is that demonstrated but in the case of our mines. The Member for Flin Flon, the Member for Churchill, could review so very, very clearly with members of this House the problems which are encountered insofar as the constant repetition of statistics involving injuries and deaths in our mines.

Mr. Chairman, insofar as this item is concerned, I would like to have the Minister's comments in respect to a number of specific propositions I would like to bring to his attention. First, Mr. Chairman, it is my information that there is not presently any comprehensive medical records which follow a worker, which follow a worker from one job site to another. Mr. Chairman, I would hope that the medical profession, the government, the employer and the employee could get together in order to form a workable system by which there could be the following of medical records with a miner from one site to another.

Secondly, Mr. Chairman, one of the greatest causes, I believe, of accidents in our mines is the fact that very little is done in order to create proper standards insofar as illumination for both surface and underground workers. Very little has been done in that respect and to my knowledge, and I would like the Minister's comments, but to my knowledge there is no effort presently underway within his department in order to develop improved standards insofar as illumination is concerned insofar as surface and underground workers.

The third item that I would like to inquire from the Minister on is the Fatalities Inquiries Act. I think that maybe an action on the part of the previous government, the government of which I was a member, possibly here should be reviewed and reexamined as to whether it was the best approach or not. And that is that miners seem to participate very little insofar as determinations arising under the Fatality Inquiries Act and by this I'm referring to inquests. The miners who are involved often are not aware of the holding of the inquest until after the inquest has been completed. Often the inquest is held by a provincial judge who has had very little experience insofar as mining is concerned and I would like the Minister to indicate (a) what steps are undertaken to insure that miners vitally affected by an inquest involving the death of one of their fellow workers are informed so that opportunity might be given for the providing of testimony at the inquest and secondly whether or not his colleague by any request from himself has been requested to determine whether or not the inquest involving mining deaths might perchance include a panel of miners who could provide advice and information to the presiding magistrate. It's my view that such should be the case, there should be a panel that would provide that type of assistance and advice in those kinds of situations rather than the present forum which I believe is remote from really coming to grips with the particular problems relating to the accident in question.

Also, I would like to ask the Minister one other area which is not completely related to this item but that pertains to the constant increase in complaints that I have received insofar as the Worker's Compensation Act and injuries to miners in the mineplace. I'm not going to dwell on that because I know I'm skating a little bit on thin ice here but I do express this to the Minister if we are dealing with mining inspection and engineering, the results thereof or a lack of same, whether that has been a problem.

Also, I would like to propose to the Minister that consideration should be given to certificate of training for both hourly rated employees and supervisors. I think it's a logical extension on many previous programs such as licensing or certificates for blasters. I believe that to be the case in British Columbia, that certificates are issued in British Columbia. And the information which I have received is that it's been an improvement, it's been a constructive improvement insofar as mining and the prevention of accidents on the mining site in British Columbia. Is the Minister giving any consideration in regard to this? I would look forward to the Minister's comments on these specific items at this point, Mr. Chairman.

MR. RANSOM: First of all, Mr. Chairman, I think the Honourable Member probably recognizes that the Workplace Health and Safety Act is under the Department of Labour and our inspectors simply work as sort of agents of the Department of Labour in enforcing that Act and any discussion with respect to the Act itself should come under the Department of Labour.

The Honourable Member raises some questions with respect to safety, inquest, lighting, etc. I'm sure they're legitimately raised but there is an inquiry underway right now into mining safety and I can only assume that all those sorts of issues will be brought before that committee and we will look forward to the report from the committee and further discussion when that committee is underway I don't think would be particularly appropriate. Not that it's inappropriate, it's just that

I don't think would be particularly appropriate. Not that it's inappropriate, it's just that I don't think it's productive when the committee is underway and is going to report.

The matter of certificates I suppose would also be addressed there. I'm advised at the moment there is a sort of, not licensing exactly, but training and certification program conducted by the company. But again, I expect of all of these things will be raised in the report of the inquiry into mining safety.

MR. PAWLEY: Mr. Chairman, I'm fully aware that there's a committee presently reviewing the entire question of mine safety and health but I would hope that the Minister would have some views that he might express at this stage. The areas are certainly of paramount importance which I'm sure he would acknowledge and I'm sure is very, very concerned about. I'd like the Minister just to indicate to the House when he expects to receive the recommendations of the committee. Can we expect to receive those recommendations during this session so that if appropriate measures must be taken by way of any changes in legislation that those changes could take place during the session? Or, if additional expenditures must be obtained do we have to wait the next fiscal year in order to deal with those fiscal requirements? In other words, what is the timetable that the Minister's working under?

MR. RANSOM: Well, Mr. Chairman, I don't impose the timetable on the committee. The committee was established by the Minister of Labour. I believe the question was asked of the Minister of Labour in question period and I don't believe that he was able to give a definitive date.

MR. CHAIRMAN: 1—pass; the Honourable Member for Logan.

MR. JENKINS: Mr. Chairman, through you I'd like to address a question to the House Leader, just to ask him how far he intends to proceed this evening as we are on this item (c)(1) Salaries. . .

MR. CHAIRMAN: The Honourable Government House Leader.

MR. JORGENSON: Mr. Chairman, I would like to finish item No. 83 this evening.

MR. JENKINS: While I'm on my feet then, Mr. Chairman, I wonder if the Minister could give us a breakdown of why there is the reduction in salaries, what kind of a reduction do we have in live bodies from last year and I don't mean staff man years, I mean in live bodies, what is the reduction? How many people have been let go either by attrition or by lay-off or whatever? I see a figure here of approximately \$55,000. 00. Could the Minister give us an answer on that?

MR. RANSOM: Yes, Mr. Chairman there's a reduction of three staff man years, only one of which was filled. That's a mechanical engineering position and the work that that person is doing will be made up with the use of engineering consultants; it involved inspection of equipment and sort of investigations of situations after the fact, no ongoing inspection type work.

MR. JENKINS: Well, I didn't get the answer that I wanted. I wanted to know how many live bodies are being employed in this feature now. Are we looking at reduced inspections and I think that's coming about but I asked the Minister for live bodies. Actually, how many people are being actually employed, and I don't mean vacancies, staff man years, or anything else; how many people are actually being employed within this salary estimate that is before the House at this time?

MR. RANSOM: There are 22.

MR. JENKINS: How many live bodies again last year? Not staff man years or anything else.

MR. RANSOM: There would have been 23 last year.

MR. JENKINS: Then we're looking at a reduction of one person. Is that correct? From last

MR. CHAIRMAN: 1—pass; the Honourable Member for Churchill.

MR. COWAN: Yes, thank you, Mr. Chairperson. The Minister says that there were three staff man years that were decreased in this year's estimates and he mentions that one of them was a mining and engineering position that was occupied by an inspector. What were the other two positions that were eliminated?

MR. CHAIRMAN: The Honourable Minister.

MR. RANSOM: The other two vacant positions were Head Office positions. In fact, all of them worked out of Head Office.

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

MR. COWAN: Can the Minister inform me then approximately how many inspectors, field inspectors, are actually operating inspecting the mines in the province under this particular section?

MR. RANSOM: We'll have that information shortly. Perhaps if the honourable members have some other questions we'll be . . .

MR. CHAIRMAN: The Honourable Member for Churchill.

MR. COWAN: Thank you, Mr. Chairperson. There are a number of other questions. I'm wondering if the Minister can inform us as to what he meant just recently when he said that the inspection of equipment by this position that is being made vacant — the M and E position — will be after the fact, rather than ongoing? That sort of confuses me and entices me to ask the question, what does he mean exactly by after the fact?

MR. RANSOM: Well, this is where there is an investigation of some kind of accident or breakage, or whatever, as opposed to an ongoing safety-type of an inspection.

MR. COWAN: Now, Mr. Chairman, I am no longer confused, but I am a little bit disappointed. Does this mean that the Minister is implying that the priority or the emphasis in this particular section is going to be on examining accident areas, whether they be production accidents or personnel accidents, after they have happened rather than the priority of the previous government to have ongoing examinations and investigations that would act to prevent accidents, the purpose of which would be not so much to assess blame but to make sure that a situation did not arise where they had to go through the gruesome task of assessing blame. Has there been a change in priorities in this regard?

MR. RANSOM: The same work will be done, Mr. Chairman, as was being done previously. It's just a matter of how it's done, rather than having a full-time person here the work will be done through consultants as required.

MR. COWAN: Yes, Mr. Chairperson, and then the Minister is telling us that actually there is no change, that the work is not going to be done now after the fact but there are going to be ongoing investigations of the areas that would normally come under this specific section.

MR. RANSOM: The timing of the work and the nature of the work is the same as it was previously, Mr. Chairman.

MR. COWAN: Is the Minister then going to have a permanent consultant to ensure that these ongoing investigations are carried out in an efficient and effective manner?

MR. RANSOM: There are a number of such competent people available.

MR. COWAN: I'm certain there are a great number of competent people available in that regard. Is the Minister going to have one employed full-time for the purpose of ensuring that ongoing investigations are carried out in the normal manner?

MR. RANSOM: What we're trying to avoid, Mr. Chairman, is having a full-time person when the

work isn't there to be done. We'll hire them as it is necessary to do the work.

MR. COWAN: Yes, perhaps the Minister, Mr. Chairperson, can explain to us in more detail exactly what kind of work will be done by either the M and E inspector or the consultant.

MR. RANSOM: Well, things like modifications to equipment. If there are some changes being made, then it has to be inspected after the changes have been made to assure that it meets standards. That sort of thing is not necessarily a scheduled ongoing piece of work. As it's done, it's necessary to make an inspection. There are competent people available to do that on a consulting contract basis, and that's what we would do, rather than have a full-time person employed in the department. This is the method by which that sort of work had been handled in years past, not in that immediate past but previous to that.

MR. COWAN: Yes, thank you, Mr. Chairperson. Then are we to assume that the only work of this consultant is to investigate modifications that are made to equipment, I would assume at a mining operation?

MR. RANSOM: Basically the two items that I mentioned — inspecting equipment failures and modifications — and we also have people in the department who are capable of doing this work, as well, and it's when they are unable to do the work then the additional work load would be handled from outside sources.

MR. COWAN: Yes, thank you, Mr. Chairperson. I'm wondering if I can proceed a bit while the Minister is digging out those figures that he promised me a bit earlier on what the other two positions were, and ask the Minister if he has given any instructions to the mining inspectors not to appear before the Mining Safety Review Committee, which is or was currently holding meetings throughout the province and I understand is considering taking a second round through some of the communities in northern Manitoba to complete their hearings?

MR. RANSOM: No, Mr. Chairman, the only instruction that I have given to my department has been to provide whatever factual information is available.

MR. COWAN: Yes, has the Minister then given any specific instructions that the mining inspectors themselves should make themselves available to the Mining Safety Review Committee, either at the request of the Committee, the employer or the employees?

MR. RANSOM: No, Mr. Chairman, I have had no such request.

MR. COWAN: Yes, thank you, Mr. Chairman. There were specific conversations held in this regard in at least one of the communities in which the Mining Safety Review Committee hearings were held — Flin Flon — when one of the participants from the union approached me to confirm that mining inspectors had been told not to appear before the Mining Safety Review Committee and I told him that I could neither confirm nor deny that but I would bring it up at the first opportunity possible. I'm wondering if the Minister can take under consideration the advisability of directing the Mining Safety inspectors to make themselves available to the Review Committee, which I understand is still considering holding future hearings, so the Review Committee can be appraised in their technical expertise in the area of mining safety so that they can make the best possible judgments that they are able to do so with that kind of detail available to them. So I'm wondering if he could give us assurance that he will talk to this division and talk to the mining inspectors, and also talk to the Mining and Safety Review Committee and inform them that he would indeed consider it a good idea if the mining inspectors made themselves available to the Mining Safety Review Committee.

MR. RANSOM: Well, I understand that our people have been supplying information as requested by the Commission, Mr. Chairman.

MR. COWAN: Then perhaps my information is wrong. Can the Minister inform me if the mining safety inspectors have been present at the actual hearings, so as when a problem arises, as it did in Flin Flon, where they're talking about an actual detailed specific example of which a mining safety inspector could have given more information, that they would have had such an inspector available for assistance to the group, both presenting the brief before the committee and the Mining Safety Review Committee.

MR. RANSOM: Well, Mr. Chairman, we have had representation at all of the hearings if people had been present, and if there had been any difficulties it hasn't been brought to my attention.

MR. COWAN: Yes, thank you, Mr. Chairperson. Having followed the hearings around and, in their wake gathered and garnered quite a supply of documentation on the various problems that the mining companies and the unions and the individual workers feel are important and timely, I hesitate to enter into this debate in any great detail. As a matter of fact, I think I can assure the House Leader, who is looking askance at me over his eye glasses, that I will not enter into it in any great detail, but would just like to mention very briefly — and I do mean that — very briefly some of the problems that are being brought to the attention of the Mining Safety Review Committee, problems that would pertain to this particular section. And one of them is the Mines Act itself, and so I would ask the Minister — before he said that the inspectors work as agents in enforcing the Act and that was the Workplace Safety and Health Act, I'm wondering who is responsible for enforcing the Mines Act itself. Does it come under his department or would we be better to discuss this under the Workplace Safety and Health Department or division?

MR. RANSOM: The Mines Act is under this department, Mr. Chairman.

MR. COWAN: Okay, thank you, Mr. Chairperson, and it will take me just one brief moment to peruse my notes here. While I'm doing that perhaps I can ask the Minister if there is any intention of his department to bring the Mines Act under the Workplace Safety and Health Division or to at least clarify which Act would take precedence if there was conflicting clauses of either Act. In other words, there is different wording in a number of areas that are significantly alike to cause confusion and the workers are running across the problem that they are interpreting the Mines Act and someone throws the Workplace Safety and Health Act at them and they are interpreting the Workplace Safety and Health Act and somebody throws the Mines Act at them. I'm wondering if there is any intention on his government to reconcile the two Acts, to bring them together, or at least to indicate which Act will take precedence in specific cases.

MR. RANSOM: It's always a problem, Mr. Chairman, when you have two Acts that overlap, as those two Acts do, and it is a situation that is going to have to be resolved, but I can't say that its resolution is about to take place. We recognize that there is a problem there and we will attempt to deal with it in due course.

MR. COWAN: Perhaps the Minister, Mr. Chairperson, can just use this opportunity then to indicate to the workers who are quite concerned and run up against this problem on numerous occasions, in his expert opinion should they insist on abiding by the Mines Act, when we're talking about an operation at a mine, or should they follow more closely the Workplace Safety and Health Act?

MR. RANSOM: Well, I'm not in a position to provide what might be called a legal opinion on it, Mr. Chairman, and I really can't answer that question specifically. I'd have to make some inquiries as to the difficulties that my staff are encountering right now. I am advised here that so far there haven't been any difficulties that have been brought to our attention. So if the honourable member has some examples of problem situations then we would be happy to investigate them.

In response to his question concerning the number of inspectors, there are 13 inspectors.

MR. COWAN: Yes, well I won't take up the time of this Committee in detailing out the specific problems because the Mining Safety Review Committee will be bringing those to the attention of both the Labour Department and the Mines Department in the near future — I'm not certain exactly when — and I think that would be a more appropriate time to address ourselves to those specific problems. If the Minister is not prepared at this moment to give some advice to the workers, I guess we will just have to wait that out.

The Minister says there are 13 inspectors. I'm wondering if the Minister can indicate what sort of inspector to employee ratio that would be in the Province of Manitoba. In other words, I'm not quite certain how many employees are employed in the mining industry. How many employees would each inspector be responsible for on an average? While I'm on my feet he could also indicate to me where these inspectors are based. Thank you, Mr. Chairperson.

I understand that's a bit of detailed information so I'll just pursue a couple of other questions in the meantime.

The Doucet case has been mentioned not only frequently during the Mining Safety Review

but also in this House on a number of occasions and this is a case where a worker, Gerard Doucet, and I believe that's the proper first name I may stand corrected, was killed, fatally injured in Thompson at the Inco operation because a tie rod, or it appears that the inspection report said that a tie rod had been unsatisfactorily welded. The inquest stated, it said, "It appears to me," this is Judge Peters, "It appears to me that death resulted to Joseph William Doucet in whole or in part from the culpable negligence of the International Nickel Company of Canada Limited in that the temporary emergency repair to said tie rod No. 4 made on February 24, 1974 was not corrected within a reasonable time," and this case was later continued as the president of the union laid an information and I'm not sure of all the legal technicalities. Perhaps, my colleague, the Leader of the Opposition, can help me on this. But an information was laid and the case subsequently went before the Appeal Court and the Appeal Court ruled on it and it was ruled that the Mines Act did not specifically require a company to maintain safe equipment, that there was a loophole in the Mines Act that allowed the company not to be charged under the Mines Act and I wonder if the Minister can indicate if there's any intention on his part or his department's part to thoroughly review the Mines Act to tighten up these loopholes that allow a situation like this to exist.

MR. CHAIRMAN: The Honourable Minister.

MR. RANSOM: Yes, the Mines Act is a rather old piece of legislation and I'm advised that in this particular situation if that judgment was upheld, then we would have to look at that section and I'm also advised that the Supreme Court would not hear the appeal and therefore we will have to address that problem.

Roughly, 6,600 employees which would give us a ratio of one to 500.

MR. CHAIRMAN: The Honourable Member for Churchill.

MR. COWAN: I'm just curious to ask the Minister a more personal question. In his opinion is that a satisfactory ratio of inspectors to employees?

MR. RANSOM: Well, it isn't the matter of a ratio of inspectors to employees, Mr. Chairman. In my opinion, it's a question of the adequacy of the inspections that are carried out. It's conceivable you can have a very large number of inspectors and have unsafe conditions or conversely, you could have a low number and a safe condition so we have to talk about the situation and the conditions that actually exist. I believe that's being addressed by the committee.

MR. CHAIRMAN: 1—pass; the Honourable Member for Churchill.

MR. COWAN: Yes, I'm wondering if I can ask the Minister if there is any intention to strengthen the Mines Act during this session of the legislature. In other words, does he intend to bring legislation forth for the purpose of rectifying the situation that has been pointed out by the Doucet case?

MR. RANSOM: I'll have to investigate that. I haven't had an opportunity to have discussions with the Attorney-General since the most recent turn of events.

MR. CHAIRMAN: 1—pass; the Honourable Member for Churchill.

MR. COWAN: Yes, thank you, Mr. Chairperson. I would ask the Minister at this time if he can indicate to us if an annual mining safety seminar, which was held in northern Manitoba over the past number of years on an annual basis and was held by his government, I seem to recall that he was there and I believe the Minister of Labour and the Minister of Northern Affairs was there over a year ago and is usually held in January, February or March of each, if there is an intention to hold that mining safety seminar in northern Manitoba this year.

MR. RANSOM: I'm unaware of any plans to hold one this year, Mr. Chairman. It hadn't specifically been brought to my attention but I would rather assume that because of the ongoing inquiry into safety that perhaps they thought they wouldn't hold one and I think that's probably the main reason for it.

MR. COWAN: Yes, I'd just like to take this opportunity, Mr. Chairperson to indicate to the Minister that the two are a bit different. The Safety Review Committee gives the employer and the employee and interested parties opportunity to present a brief before the Mining Safety Review Committee

which is made up of Mr. Claude Wright, Mr. Ken Valentine, and Mr. Donald Munn and they can present a written brief before that committee and they undergo a bit of discussion back and forth. It also gives an opportunity for the safety committees to meet with those three gentlemen. But, to my knowledge, neither the Minister of Mines, nor the Minister of Labour have been in attendance at any of those Safety Review Committees.

Now, the mining safety seminar worked under a different format and what it did was it allowed the Minister opportunity to talk directly to these two groups, the two primarily interested groups, the employer and the employee, gave them the opportunity to talk to both the employer and employee over a two day period. It also gave an opportunity for the mines inspectors to sit down with the employer and the employee and go over in detail some of the problems that have occurred during the previous year and talk about some short term and long term solutions. So the two are not mutually inclusive, they are not one and the same and I'm wondering, having brought that to the Minister's attention, if he would be prepared now to entertain the thought of having a mining safety seminar in northern Manitoba this year, as I do believe that it allows a different form of access for the employer and the employee to the Minister and it also allows a different form of access for the Minister to talk to those two groups and people can sort of let their hair down over a couple of days and they have all their technical staff around them and it's an informal discussion but it is highly useful. I think the Minister will find in his attendance at the last one and I found in my attendance of the ones I've attended, that they've been not only useful to myself as a politician but they've been useful to all the parties involved. So I'm wondering if the Minister can entertain the idea of holding that mining safety seminar albeit a bit late for this year.

MR. RANSOM: There's no intention to discontinue mining safety seminars, Mr. Chairman, but there will not be one held this winter. Sometimes they've been held in the early winter, sometimes in midwinter. I'm not certain at this time exactly when but they will be resumed again.

MR. COWAN: I'm wondering if the Minister can assure us that they will be resumed within the next year.

MR. RANSOM: I would anticipate, yes within a year, Mr. Chairman.

MR. COWAN: I'm sorry, Mr. Chairperson, I didn't catch the answer of the Minister.

MR. RANSOM: Yes.

MR. COWAN: The Minister indicates that yes they will be. I'm pleased to hear that. There's a lot to talk about safety. There's a lot that I have to say about safety. There's a lot that the Member from Flin Flon has to say about safety. I'm sure there's a lot that people on that side have to say about safety. I just want to indicate that because we are not discussing it in detail right at this moment, it should be not taken by any party to infer that we have temporarily lapsed from our dedication to bringing about safer working conditions, but it should be taken as an indication that we are prepared at least for this evening to wait to allow the Mining Safety Review Committee some opportunity to come back with some recommendations. I imagine that this will take up much of the time of the House not only in this session but in the upcoming sessions. So with that, Mr. Chairperson, I will end my own examination of this particular section.

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

MR. COWAN: Yes, thank you, Mr. Chairperson. In this section I assume we're dealing with the evaluation of the mineral ore bodies that exist in the Province. I'm wondering if the Minister can indicate to the House what the production of mined lead was in the Province of Manitoba last year.

MR. RANSOM: Yes, approximately 1,245,000 pounds.

MR. COWAN: And would that indicate an increase or decrease over the previous five year average?

MR. RANSOM: Well, that would indicate an increase over the previous year whether it's a five year average, I don't have that figure at hand.

MR. COWAN: Yes, can the Minister then indicate to us which specific ore bodies this lead will be coming from?

MR. RANSOM: I'm advised that it's principally from Chisel Lake mine, but that some other quantities are associated with the zinc mines.

MR. COWAN: With the zinc mine in what area, Mr. Minister?

MR. RANSOM: Well, Flin Flon and Snow Lake.

MR. COWAN: Then, can the Minister indicate to us or confirm that this lead is being smelted at the Flin Flon smelter?

MR. RANSOM: Goes to Trail, British Columbia.

MR. COWAN: Yes, is the lead being separated and I'm not certain what process they use in lead, separated from the other ores at the Flin Flon mill?

MR. RANSOM: It's a concentrate derived through a floatation process.

MR. COWAN: Having worked in a mill in Lynn Lake for a while I understand the process that the different minerals that are contained in the ore are through a chemical floatation process and agitation processes separated and the lead comes out in impure concentrate. I'm wondering what the analysis of that concentrate is. In other words, is it 30 percent lead, 10 percent lead, 90 percent lead?

MR. RANSOM: I'm not familiar, Mr. Chairman, with all the details of the operation of the mine. I certainly would be prepared to get that information and communicate it to the honourable member.

MR. COWAN: Yes, Mr. Chairperson. The reason I asked that is I happen to know by my own participation or my own observation at the Flin Flon session of the Mining Safety Review Committee that lead was a topic of discussion there. That there are some problems with lead, that Dr. Stephansson there sends numerous samples to Winnipeg for testing and if they are sending, I think it's 500 or 400 or 600 samples here to Winnipeg, there must be some problem and with that the case, I'm wondering if the Minister can assure us that the precautions taken to protect the workers from lead exposure at Flin Flon are satisfactory.

MR. RANSOM: Well, Mr. Chairman, I'm sorry but I was under the impression that we just had passed the section that dealt with mining engineering and inspection and that we were now into mineral evaluation.

MR. CHAIRMAN: That is correct. The Honourable Member for Churchill.

MR. COWAN: Yes, one other question, Mr. Chairperson. Can the Minister assure us that engineering, and perhaps it would come under another section but I'm just asking one last question on this, that engineering precautions have been taken in the new mill, which is being built at Snow Lake to ensure that the workers in that particular area will be protected from undue lead exposure? And that's the last question on this particular item.

MR. CHAIRMAN: 1—pass; 2—pass; (d)—pass; (e)(1)—pass. The Honourable Member for Churchill.

MR. COWAN: A constituency question, Mr. Chairperson. I recall having brought it up to the Minister last year and would like to just pursue it a bit this year. I know my own community of Lynn Lake has asked the Minister if he would be prepared to place a geological testing centre or survey centre in the community of Lynn Lake, and I'm wondering if the Minister has been in any further negotiations since our discussion last year on this, and if he has, if he can indicate to the House what the results of those negotiations have been?

MR. RANSOM: Well, I wouldn't say that there have been negotiations, Mr. Chairman, we certainly have discussed that idea and to this date we can't justify, couldn't justify on the basis of the work that's available, the location of a group there. Now the situation can change if exploration should increase particularly in that area. If there should be a find or something, then there may be the work available there, in which case we would look at it closely again.

MR. COWAN: Yes, thank you. Perhaps I can just ask the Minister then where these survey centres are located now in the Province, if indeed if there are any, and if so where?

MR. RANSOM: Well, I'm not even sure that we have the kind of group that he's referring to. In The Pas we have the recording office available, but we don't have a sort of a consulting geologist available out at some site in the north.

MR. COWAN: Yes, very briefly then, I would just like to ask the Minister when he does sit down and discuss with the community of Lynn Lake or the representatives of the community of Lynn Lake this problem, to bear in mind the cut-backs and to bear in mind the economic set-backs that that community has suffered because of a reduced level in mining activity over the past number of years, and to take that into consideration and not view this entirely or solely, although I'm certain that monetary aspects are a necessary part of his discussions and his own deliberations. But to take into consideration the positive impact that it will have on that community, if they would decide, because of a necessity, to put a geological survey centre in the community, and that when going into further discussions with the people of that community in this regard, that he bear in mind that when a community has suffered to the extent that Lynn Lake has economically, that even one small advance like this can seem to be much more valuable, can seem to be much more worthwhile than perhaps he would think at the moment, and to try to look at the problem from the eyes of the people of the community, and that's all I'd ask the Minister on this.

MR. CHAIRMAN: 1—pass; 2—pass; (e)—pass; (f)(1)—pass; 2—pass; (f)—pass; (g)(1)—pass. The Honourable Member for Churchill.

MR. COWAN: Yes, I'm wondering if the Minister could very briefly just detail what is happening presently under this Non-Renewable Resource Evaluation Program?

MR. RANSOM: Both those programs, the General Development Mineral Sub-Agreement and the NRREP program are terminating at the end of this fiscal year. The amounts of money shown there are to complete reports. There is then an amount shown in the next section under Canada-Manitoba NORTHLANDS. Some of the uncompleted work under the Mineral Sub-Agreement has really just been rolled over under the NORTHLANDS, and instead of 50-50 cost-sharing we get 60-40 under the NORTHLANDS, Sir.

MR. CHAIRMAN: 1—pass; 2—pass; (g)—pass; (h)(1)—pass; 2—pass; 3—pass; (h)—pass. Resolution 83—pass. Committee rise, call in the Speaker.

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

IN SESSION

MR. DEPUTY SPEAKER: The Honourable Member for Radisson.

Tuesday, March 6, 1979

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

MOTION presented and carried.

MR. DEPUTY SPEAKER: The Honourable House Leader.

MR. JORGENSEN: Mr. Speaker, I move, seconded by the Member for Pembina, that the House do now adjourn.

MOTION presented and carried and the House was accordingly adjourned until 2:30 Wednesday afternoon.