

THE LEGISLATIVE ASSEMBLY OF MANITOBA
8:00 o'clock, Thursday, May 8, 1975

COMMITTEE OF SUPPLY - DEPARTMENT
OF INDUSTRY AND COMMERCE

MR. CHAIRMAN: Resolution 68(b)(1)--passed; (b)(2)--The Honourable Member for La Verendrye.

MR. BANMAN: I was just wondering if the Minister could explain the decrease in the amount of Other Expenditures in this particular. I notice that we're dropping by about \$20,000. Has there been a transfer of some responsibilities to another department or are we sort of taking a little bit of a cutting as far as the food industry is concerned?

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

MR. EVANS: Yes, Mr. Chairman. You notice this is a characteristic of a number of these items. There has been a reorganization in the department effected a few months ago which of course is reflected in the expenditure pattern in the forthcoming year. A number of staff have been transferred to the Small Business Assistance Centre and into management or productivity activities.

MR. CHAIRMAN: (b)--passed. The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Chairman, the other night I commenced to ask some questions about the question of dead livestock and the problems that occurred when the Department of Industry and Commerce encouraged, and the Department of Agriculture encouraged a program, and at that time I was told that probably the best place to raise this was under the Food Industry section of the estimates. I somehow find that difficult to place that in my own mind but if that's where the Minister wants us to talk about it, I'm prepared to live with that now.

Mr. Chairman, at that time I was concerned about a program that was instituted in the province where individuals were encouraged to go into a program of collecting dead animals, processing or cutting up the meat and a market was established in the Montreal-Toronto area as well as in B.C. I don't believe too much of it was actually canned in this area. It did two or three things. It certainly met with the approval of the Environment Commission to which considerable concern had been expressed over the prevalence of dead animals lying around the country. This way they were at least disposed of in a manner that met with their approval. Since that time, sir, the market has practically disappeared completely in Eastern Canada and these people are now being almost forced out of business. We are going to be back in the position where the Environment Commission will be concerned once more with dead animals being left around throughout the country. I was wondering if the Minister had any program or if he could offer any inducement or encouragement for these people to carry on during this period which may be temporary, may be permanent in which there is no market but in which we are doing a great service to our environment in removing these dead animals. I was wondering if he had any program to encourage these people who are now being forced out of business.

MR. EVANS: Well I'm not aware perhaps as much as my honourable friend is about the certain people that are being forced out of business but I can tell you that there is consideration being given to a system of dead animal collection throughout the province. This will be part and parcel of an environmental management program, and the main emphasis of course is to remove a form of pollution from the countryside which seems to be increasing in some ways with the increase in the animal population, livestock population and so on. This is a program that is being worked on and when the final details of the program are completed, they will be announced of course. However, this is a matter that's I believe under the jurisdiction of the Minister responsible for Environmental Management and also the Minister of Agriculture.

MR. GRAHAM: Well, Mr. Chairman, I can readily understand the Minister's reluctance to address himself to this problem. It's something that I wasn't surprised at but at the same time the fact remains that these places have been established, they are now either closed or in the process of closing and I would hope that the Minister would use his good office to expedite a program, whether it be through his department or through the Department of Agriculture or through the Department of Mines and Natural Resources, I couldn't care less, but something has to be done. If something is going to be done it has to be done now because

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(MR. GRAHAM cont'd)the problem is immediate and if we wait for another month or two months, there will be no industry left and we're going to have to start from scratch all over again.

MR. CHAIRMAN: Resolution 68(b)-- The Honourable Member for Brandon West.

MR. MCGILL: I can't let this item on Food Industries go by without reviewing what the Minister said about the matter of the possible expansion of Morden Foods owned entirely by the Province of Manitoba and the possibility of other food industries coming into the province, and the fact that the department is reviewing at the moment two or three possibilities, I think that was what the Minister said.

Mr. Chairman, in an earlier item we discussed the difficulty which the province and the department must find itself in when it is providing incentive grants to industries when the industries in the field may be not only those which the department has an equity position but also industries which are competitive with those that the government owns. I'm wondering, Mr. Chairman, if the Minister can tell me whether there is any conflict within his department when an application is received from a food processing operator who is considering the possibility of a plant in Manitoba, when such an application is received at the same time as the Morden Fine Foods who are owned by the province are considering expansion which might be, in a sense, competitive with the other applications.

Mr. Chairman, I would find this to be a very difficult situation to deal with if I were in the position of the Minister, and I would wonder how it would be possible for him to take a completely objective view in this, or for his department for that matter, if they're considering an expansion of their own plant, to deal in an entirely fair and objective way with some other applications or some other inquiries from manufacturers who are looking at the Manitoba situation. Is it possible to deal with those two situations at the same time without having some bias in the matter, and this is just an example of the kind of thing that I think we're developing for ourselves in this province the kind of situation which may be repeated many times over unless some decision is made, some direct approach is made to this problem. I would certainly like the Minister to again give me the reasons that he has perhaps stated in the previous discussions of this matter and tell me how he can deal with this situation without some bias or some prejudice entering into the whole negotiation.

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

MR. EVANS: Mr. Chairman, I want to make it clear that the type of expansion that is being considered at Morden, with regard to Morden Fine Foods, into the frozen vegetable business or to have had a frozen vegetable capability, is a type of process that to the best of our knowledge no one is now seeking to establish in the Province of Manitoba. So that on the specifics there is no problem. And I think in the general this is a non-problem. This is the thesis that the honourable member pursued yesterday and is obviously attempting to pursue again today.

The fact of the matter is, Mr. Chairman, that I suppose if one were wanting to philosophize, the reason that there was a Department of Industry and Commerce set up here many years ago, many many years before any of us entered into the political arena, and the reason that a Manitoba Development Fund now call the Manitoba Development Corporation was created was surely because the governments of the day did not believe that the amount of investment forthcoming into industry and into commerce from the private sector was not as great as it could be or should be. Surely there must have been a feeling on the part of governments of the day that government per se had a responsibility to do something to stimulate the industrial and commercial development of this province. And whether it be by way of a lending agency or by way of an industrial development agency that engages in market research, feasibility studies and all the other programs that we now pursue in the Department of Industry and Commerce, regardless, the fact is that we believe, and I think governments prior believed, that private enterprise left to its own, purely left to its own in a pure laissez-faire fashion, would not develop enough jobs in the Province of Manitoba to give our people the opportunities to stay here if they so wished. And I think it's the system that has now developed in our western economy where you have ever increasing concentration of industrial activity that has worked against historically the last many decades, has worked against the industrialization of Manitoba and Saskatchewan and Alberta and other similar geographic areas in North America. You look to the states to the south of us and you see the same trend

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(MR. EVANS cont'd) that has occurred, a diminution in their relative position. In fact what has occurred south of us is far worse than what has occurred north of the border. I think that I would like to have seen a greater rate of industrialization in Manitoba but I look south of us and I see in the Dakotas, Nebraska and so on an actual diminution and deterioration in their relative industrial capability.

The large investor, the large company, the multi-national company tends to be prepared to locate plants anywhere in the world. Very often in the secondary sector plants are located near large markets, and the fact is that - and I've said this many a time before, - we do not have the size of market in Manitoba that is sometimes conducive to attracting certain types of secondary industry here.

And what happened at Morden, you know, is a classic example. You know I think the government of the day, I think it was even before the now Leader of the Opposition who was former Minister of Industry, I think it was even before his time, when Canadian Cannery set up the plant at Morden. Was it during your time when they established the plant?

MR. SPIVAK: Prior.

MR. EVANS: It was prior. Yes, that's what I thought, that's what I'm saying, it was established prior to the Member for River Heights being the Minister of Industry and Commerce and the fact is that Canadian Cannery for their own good reasons withdrew from Manitoba because their accountants told them that they can make a greater return on their dollar by having a concentration of this vegetable canning in Hamilton, Ontario. They were making money here but they could make even more money by concentrating down east. That, Mr. Chairman, is the dilemma that is facing us, and it's a dilemma that we face when we rely strictly on the private sector in many industries.

And you can't fault - I suppose you can't fault the management, the President, the Chairman of the Board of Canadian Cannery for doing what they did. If I was in their position I would have perhaps done the same thing, because if it was my job to maximize profits that's what I would have to do. But what is good for private enterprise, large scale enterprise, and what was good for Canadian Cannery is not necessarily good for Manitoba. There is a conflict and this is not to our advantage, the fact that industry is tending to concentrate near large market locations. And if we left it simply to the so-called laissez-faire process, we would have even less industry in Manitoba today than we have, if it was left strictly to laissez-faire. And the only reason we have a package seed plant in Brandon is because of government decisions. The only reason we have Morden Fine Foods in existence in Morden is because of a government investment decision or through an agency of the government and so on.

The fact is that I wish the point that the honourable member brought up was a real problem in the sense that we had so many people coming in and the government through the MDC or what have you getting into the act was sort of somehow or other preventing the flow of private investment. Because I have no evidence of that, I have no evidence where the activities of the government either through MDC or through the Department of Industry and Commerce in the investing, in manufacturing, in the secondary industry field, in commerce, what have you, has caused a basic industry to not enter the province or to leave the province. Okay, the honourable member's going to jump up in his seat and talk about Autopac. That is an automobile insurance program which governments traditionally are getting into, governments are getting into the insurance field. The Federal Government is the biggest life insurance company in Canada today, because it runs the Canada Pension Plan. Don't kid yourself that that isn't a government life insurance program, it is. The Canada Pension Plan is . . .

A MEMBER: It isn't very sound actuarially.

MR. EVANS: It's not very sound actuarially. Well I don't know, but I know a lot of people who are very pleased that there is such a thing as the Canada Pension Plan.

MR. SHAFRANSKY: Private business is not ripping off, therefore it's no good

MR. CHAIRMAN: Order please.

MR. EVANS: At any rate, Mr. Speaker, as I understand it if, and I underline "if" because there is no decision made on this and it may not go ahead, but if a frozen vegetable capability was added to the Morden plant it could - rather than be a detriment to other developments in the food processing sector it could act as a catalyst and perhaps promote and

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(MR. EVANS cont'd) stimulate certain ancillary developments in the private food processing business.

MR. CHAIRMAN: The Honourable Member from Brandon West.

MR. MCGILL: Mr. Chairman, I won't pursue this debate but I just take from what the Minister has said that he can wear three hats without any difficulty. He can be in the industrial development of Manitoba, he can be a promoter, a regulator and an operator, and that none of those three functions in any way overlaps or reflects upon his full and objective performance in the other. That is, in my view, Mr. Chairman, an amazing feat if this can be done with objectivity and . . .

MR. CHAIRMAN: Order please.

MR. MCGILL: Mr. Chairman, if my interpretation of what the Minister has said is a correct one then I will assume that that is what he is capable of doing, that is what his government is capable of doing without any difficulty whatever.

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

MR. EVANS: You see, Mr. Chairman, the problem that the Honourable Member from Brandon West has, and I think the problem some of his colleagues have, is that they have ideological blinkers on them. You know they're true Conservatives - I'll have to be careful here because I know some Conservatives historically at least have been very very great on government involvement in industry, that is in historical setting. But the Conservative party that we see today in Manitoba at least he's being true to the very narrow-minded ideologically constraining view of industrial development vis-a-vis ownership. Because you think in your heart, and I don't fault you for your philosophy, you're entitled to it, but I say you are the people that have the ideological blinkers on because you think that the only way we should create jobs in Manitoba, the only way we can create viable enterprise in Manitoba is through private ownership. And we're saying that we can do it through government ownership, we're saying we can do it through co-operative ownership, because we've set up a co-operative development department, and we're saying we'll do it by trying to help the small and medium size private enterpriser in this province. We're saying, we're not narrow-minded, we don't have ideological blinkers on and say that the only way you can create jobs is through the public sector. We're not saying that. We're saying that we're living in a particular economic situation in North America at this particular time that demands that the peoples' provincial government, the provincial government of the people of Manitoba use various techniques in order to provide jobs for its people. And you know you can have massive giveaways if you want, as was the case under your jurisdiction prior to this government coming into office in 1969, yes you can and you can get some things happening.

But what I'm suggesting, Mr. Speaker, is that there's plenty of evidence that the previous Conservative government financed projects in this province up to the tune of 100 percent, and who knows maybe over 100 percent. We have the evidence. In my own constituency. I think it's an efficient enterprise, it has come along, the Simplot Fertilizer Company, the evidence is quite clear that Jack Simplot, that great private enterpriser, and I remember him making a speech the day that he announced it in Brandon, I was invited to the dinner, it was a free dinner, and he waxed eloquently of how governments should stay out of business. And my God here I find out a few years later when we got the documentation, that it wasn't Jack Simplot's money that developed that fertilizer plant, it was the peoples money, it was the peoples money.

A MEMBER: What a dinner.

MR. EVANS: Yes, and the dinner was paid for by the taxpayers also and not Jack Simplot. Same people. And we're not kidding about it. But here's the case of what I would call, if you want to use the term, 'disguised' public investment, disguised public investment, only that's the worst kind of public investment because it's sort of tails you lose and heads they win, doesn't matter which way, in the sense that if the enterprise went bust then it was your money that was lost, but if the enterprise succeeds then the profits go to that particular corporation that received 100 or maybe 105 percent or whatever it might be, because I'm not only counting the MDF funding I'm also counting the grants received from the Federal Government, the Industrial Incentive Grants and which were cash grants. And I can understand the government of the day, as I said, being very anxious to develop jobs. You know they had the MDF and they . . . But I say that we're not afraid of helping private industry,

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(MR. EVANS cont'd) because we are helping private enterprise through the Department of Industry and Commerce and through some other programs. We don't have blinkers on, we're not ideologically hide bound as the honourable members across think government should be. You know that's all.

And again I repeat, you know you people are upset because there is some public investment in manufacturing and I tell you that that today is becoming more the rule than the exception, and all you've got to do is look at Western Europe and you look at democratic countries in Western Europe that don't necessarily have a so-called "Socialist" government either, there are some right wing governments in Europe that have established manufacturing enterprises owned by the State. And you can have that in some of these Latin-American dictatorships, you can have state-run enterprises as well. I'm just telling you that this question, as I said the other night, the whole question of state ownership of industry is not necessarily a question of philosophical dispute. But what I'm saying is that we are trying our best --(Interjection)-- it shouldn't be, it may be in your eyes, it's not in my eyes - we're trying our best to create jobs for our people. And particularly in rural Manitoba and particularly in areas which we think there are - well particularly in areas where we think there are . . . well, you know, you wouldn't have the . . . well I'm not going to go into all these details again, but the fact is that regardless of whether it be a private dollar or a dollar from a public investment agency, if you're creating jobs and helping to create wealth in the province I'm convinced that the people of this province will be satisfied.

I think the people in my own constituency appreciate the fact that this government stood behind McKenzie Seeds and has maintained an operation there and has given hundreds of jobs in the City of Brandon that would not exist otherwise. So I say again that my friend from Brandon West is talking about a non-problem when he talks about scaring off private investment dollars, because the private investment dollar into the secondary sector was pretty darn scarce when they were in government and I can show you lots of figures on that and we'd like to see it more abundant today than it is. And the reason it is is because of the economic facts of the situation, it wasn't because our honourable friends were in government at the time that they happened to scare off the private investment that was wanting. And Manitoba was wanting for new jobs in the 1960s. The Government of Manitoba was, figuratively speaking, on its knees begging for jobs and I think this is ultimately why it got into the CFI fiasco.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, I just don't know how I can read the argument presented by the Minister of Industry and Commerce. The profound statements that we on this side are more or less limited on the basis of our ideological blinkers and that he has, you know, the perspective and the dimension of what's happening without our society within this province is almost overwhelming. You know, our problem right from the very beginning is that the Minister is a very foolish person who talks foolish rhetoric about a series of events, about a series of events, a series of events now and in the past, whose chronology is not as he tries to suggest and whose results are far more substantial in many ways than the results he would like to present to the members here.

Our concern in the very beginning has been an understanding of exactly the direction and the emphasis that the government is going to take with respect to its involvement, by the involvement at least of the public sector in the commercial business activities in this province and the way in which it would create and attempt to try and build the climate and maximize the opportunities that really exist within this province for future development. And we're very much aware that in the food processing industry there are unique opportunities for this province and that if it's to be developed, it has to be developed with the expertise and the marketing capability of major national and multi-national corporations who are capable of bringing their expertise, their research to the new processes that are developing to utilize our agricultural resource.

Now no one is going to take away from the fact that there was an attempt to try and salvage Morden Fine Foods but, you know, that is only one part of this whole equation, and one must say to the Minister that we recognize that for whatever reason Canadian Canners, as a private enterprise organization, made a decision to close up a plant that they felt was not in a position, to close up a plant which they felt could, whose production could be better reproduced from one of their existing operations, with or without an expansion, and I don't even know

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(MR. SPIVAK cont'd) whether that was to take place.

But I must say to the Minister in the negotiations that took place between the government of which I was a Minister and a Minister of Industry of Commerce at the time with Canadian Cannery for the purchase of their assets, the price we were dealing with was one-fifth of the price that the Minister paid for it, one-fifth of the price that he paid for it, and I find it very strange for him to stand up and to indicate that, you know, he assumed a responsibility that in fact it really commenced in terms of negotiations at an earlier stage when we were government. But our problem right now, and this is a very serious problem, is to understand whether the operation which is now making money or at least breaking even and maybe making some cash profit and thus accomplishing the objective of maintaining the industry, whether its expansion will in fact prevent the possible development of a major enterprise in this province. And the thing that is concerning us, I think, is to understand the logic of the government and really understand their ideology with respect to this expansion.

The Chairman of the Manitoba Development Corporation this morning, on his own, without any prompting or even discussion, suggested that the operation could be, the expansion could be in competition with a company whose name has been mooted several times, of the possibility at least of that company coming to Manitoba. And I may say that I think it's common knowledge that development would be a \$50 million development if it was to come to Manitoba. That's a substantial investment with substantial implications for the province. Now whether this is true or not, I don't know, but the Chairman of the Manitoba Development Corporation mentioned the company's name. The problem we have is to understand the logic of the government in its expansion, --(Interjection)-- the name is McCains - and the thing that we find a bit surprising at this point is if there is any possibility, that why would the government consider expansion in a very limited way which would possibly in fact compete. That's something we'd like to establish.

But then there are a couple of other points that are involved in it. We understand as well that in the application, there was an application to the Federal Government for a DREE grant of a \$1,500,000, the expansion being \$3 1/2 million, a DREE grant of a million and a half, that is Federal Government money being asked to be put in to a Provincial Government enterprise, public enterprise. So when I hear you sort of make remarks about Simplot and about the way in which he funded out, and the way in which he received loan and grant money from the Federal Government, I say to you, who are you to start criticizing? Who are you to start criticizing private enterprise if it is in fact receiving grants from the Federal Government when the chairman has indicated that the Provincial Government isn't going to proceed with a development that they think is necessary, unless the Federal Government gives 33 1/3 percent of the requirement by way of grant.

We already know that there's an application of the Federal Government for Crocus Food for a DREE grant. So, you know, the question of ideology becomes very hard to determine here and the question of motive becomes very hard to understand. And the question was put as to whether there is logic in the expansion of Morden without the grant coming from the Federal Government, because if the plant is something that's worthwhile surely the Provincial Government would put it in. One has to see the millions being put in other developments and if this one is going to be able to make a profit and this one is necessary and this one can be justified, then one would think it would continue on without a DREE grant. But the information supplied this morning, as I understood it and I think I'm correct, is that no such event would take place unless the DREE grant came forward, that was the condition on the application. And on the basis of what happened this morning, it would appear that the Crocus Plant will not go through because the condition is that without the grant it would not proceed.

So in terms of our industrial development there are strange turnabouts and it's not easy to identify people into ideological slots as the Honourable Minister wants to suggest. When one talks about McKenzie Seeds and the purchases of the two companies, you know, even those purchases have never really been fully discussed without this Legislature nor the implications of the negotiations that took place in the purchase of those companies. And the fact that in one case, as I understand it and the Minister can correct me, a purchase was made with individuals selling prior to, I believe, valuation day or right after valuation day, in which in effect payout was over a period of time to allow the individuals the opportunity to effectively make a capital gain for themselves so there would be no tax payable, and the government co-operated in that.

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(MR. SPIVAK cont'd) The Provincial Government co-operated in that kind of negotiation to basically maximize the advantage for the people who were selling and in effect, legally, to allow people to avoid paying normal taxation to the Federal Government.

Now one hears these particular facts, one relates the experience that we have had so far, he has certain information, recognizes that there are a number of public enterprises that are in fact losing money and appear to be continuing to lose money and that really very little information has been given, except optimistic expectations of what will happen, all of which have in the past proved to be very false, or have proved to be bad errors in judgment. And one has to say to the Honourable Minister, you know, when we talk about the economy of this province and we talk about food industries which essentially are important to our future development, we have to be concerned what is happening to the private sector into the government's intrusion into business. We have to be concerned about, you know, where we're going and we have to be ultimately concerned as to what is going to happen, and our problem at this point is that there's no evidence to indicate that in wearing the three hats that the Honourable Member for Brandon West referred to, that the Minister is capable of basically judging effectively the position he has to take in every position that he finds himself wearing a different hat. You know, and I come to something pretty basic at this time - the statistical data, the economic indicators indicate that in the private sector we are down substantially in capital repair investment forecast for this year. And I daresay that when the next statistical information is forthcoming it will even be down more and one that has to say if that is happening and the private sector is in fact going down, then surely, surely --(Interjection)-- Yes, the private is going down . . . surely at this point, if that's the case, surely if that's the case that it is going down, then one has to be basically, you know, concerned and prepared to deal and talk about in this Legislature the direction the economy is going.

And therefore, Mr. Chairman, I say to the Honourable Minister, I think that the fight about ideological blinkers which is something that he would like to bring up at this point as a means of effectively stopping the criticism being offered about him and about the departmental activity which he's undertaken, as I suggest the departmental activity which he's undertaken is not something that is met just by that simple argument; that the facts and an understanding of the events are important, and that the record by any means is not clear, and the failures of the government, the public enterprises entered into by the government, are so serious as to warrant whether the effort and the time, the energy and the money has in fact been warranted, and whether it wouldn't have been better in the long run to have created a climate in which private initiative would have been able to flourish and to develop and to allow the maximization of the opportunity in that way. And the problem that we see is that the continued direction and the continual activity, in many cases the lack of activity on the part of the Minister, is going to contribute to a deteriorating situation with respect to the opportunities that exist in this province, and those opportunities in many respects are limited, but nevertheless the opportunities we have to maximize within the sphere of those limited opportunities are potential. And to that extent, there has been, I believe, a failure, and I suggest again to the the Minister that it's foolish to try and bring the argument down, as he has, on the ideological basis. It doesn't wash, it will not stand, and the facts are not supportive of his position.

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

MR. EVANS: Mr. Chairman, I did not start this debate on ideological positions. The Honourable Member for Brandon was the one who raised this concern, you know, about possible conflict, and I get the feeling that no matter what type of industry it is, if the public sector is involved then it's somehow or other bad or second rate. And as far as I'm concerned and, I think I'm right on as far as the average Manitoban's concerned, the average worker's concerned, they don't really care whether the shareholders are somewhere scattered over North America or wherever, or whether the taxpayers --(Interjection)-- Well, you go and talk to the people who work at McKenzie Seeds, or go up to Gimli and talk to the people at Saunders.

MR. CHAIRMAN: Order please.

MR. EVANS: They don't want us in at Gimli, eh? Okay. The average worker sure does. --(Interjection)--

MR. CHAIRMAN: Order. The honourable member has had his say. In due course he will be recognized again.

MR. EVANS: Well, Mr. Chairman, just a couple of points. I am now advised,

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(MR. EVANS cont'd) apparently we have been dealing with the McCain Company, which you've now mentioned and we are talking about them, and we are looking at a different element here. The expansion of frozen vegetables from Morden, I understand, are for the institutional market, a bulk market, whereas the other is for the retail trade. But so what, you know! You extol competition, you extol the virtues of competition in one breath and in the next breath you seem to be damning it, that there's a possibility of competition here. We, from our point of view don't see any problem.

But at any rate, Mr. Chairman, on the matter of the value of the assets of Morden Foods, I'm not apprised of what the Honourable Minister may have verbally discussed with the company, that's not information that I have available. All I know is that the staff of the MDC at that time made what was a reasonable offer for the assets. As a matter of fact there was one offer made for the assets by a non-governmental group and the company laughed at them and was about to take the various bits and pieces of machinery out of the plant and move it to Hamilton, they were going to cannibalize the plant. So much for the so-called low offers. The member, I think he said one-fifth. Well that's just nonsense. It's just nonsense because I know the offer that was made was greater than one-fifth what we paid and they laughed them out of the office, and they were going to move the machinery to Hamilton. Well you can shake your head. But, you know, you have the advantage because you say you discussed this and you have this information, so I don't know what you discussed. At any rate, I know they were going to move a year before, I know that. Mr. Borden, the president of the company, said they were going to move in 1968, they were going to move in 1968 I think it was or 1969. Somehow or other they were persuaded to stay at least one more year and the department went out and tried to sell some of their merchandise, I think, but I'm not sure of that. Well let it be clear though that on the value of the assets and the reasonableness of the purchase price, I just don't accept the honourable member's criticisms in that respect.

With regard to his concern about the fall off in investment, we don't have, to my knowledge, a breakdown between the private and public investment forecast by Statistics Canada. As I'm advised, the outlook that we have for 1975 is a combined figure. Do you have the information that separates it between private and public? Well I don't, all I've got is the combined information and I thought that that was the latest information available. I don't know whether any of the staff upstairs realize that there is, and I wish they'd be listening to me at this point. The Manitoba Bureau of Statistics may be able to tell me whether there is this outlook information of private versus public investment outlook, the forecast for 1975. The only information I have is a combined figure, public plus private, in the outlook for 1975. That's the only information I have. But at any rate, as I said before, the public investment dollars is as good as the private investment dollar; in some cases it can be more valuable, particularly if it's into the basic resource development area.

In the case of Manitoba, I indicated that there was to be an increase of 10 percent in the level of capital and repair expenditures in totality, public and private investment in the year 1975, over the year 1974, a 10 percent increase, giving Manitoba approximately its normal share of the total Canadian investment picture. When he casts about his fears about a slump and a fall off in investment in Manitoba, I simply say to him, please, Mr. Leader of the Opposition, look about you, look down south, look in the east, and you will see that there is a major economic recession going on in the United States of America, and he knows that. You know, for him to go on and blithely say, well we've got to worry about this, that, and the other thing, the fact is that we've had this government in power for five and a half, six years, and we've had more prosperity, particularly in the last three years, than we've ever had I think since before the First World War, in relative terms. In fact our problem has been in order to find enough people to fill the various jobs. As a matter of fact there are still factories around Winnipeg who have big signs up, Help Wanted, layout men, welders, and so on. I know we're very short of people up north. The mining companies are still advertising; they were advertising on the radio this morning: "Come up and work for us. We need you." All kinds of jobs. --(Interjection)-- Yes, come up and work for us, you know, lovely communities up north, very friendly atmosphere up there, modern convenience, and so forth and so on. Come and work for us. We need you. As I said, there are still factories - I know one factory that I passed the other day, they had a big sign out, Help Wanted, Help Wanted, and I submit, Mr. Chairman, that that big sign, that symbolic sign of Help Wanted is not found today in the United States.

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(MR. EVANS cont'd) And it's not found in Ontario. And it's not found in the Maritimes. To suggest that because of the policies of this government that all of a sudden there's going to be a major economic crisis or a major decline in industrial development because of our policy, is simply, well to use his type of phraseology, simply will not wash. If he would recognize that there is a major slump in the private sector in the United States, he will - and I would venture to predict that in the United States of America, that bastion of free enterprise, that there's going to be more government involvement in the economy in the years ahead, and that's already been announced by the American administration.

At any rate, I've now received some more information on this potato processing business and from the information I have it seems more than ever before there is no conflict and as I said, even if they were producing the same thing, what's wrong with competition.

MR. CHAIRMAN: Resolution 68 (d) -- passed. (c) (10 -- passed. (c) (2) . . . The Honourable Member for La Verendrye

MR. BANMAN: I noticed again that under the Other Expenditures there has been a drop in budgetary requirements and I'm wondering again if the Minister could outline what has happened. Has there been a reorganization within that department also?

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

MR. EVANS: Yes, Mr. Speaker, I mentioned a few minutes ago that this applied to all of these items. There has been a reorganization and certain economies effected in staffing and that's why the figures are down.

MR. CHAIRMAN: (c) (2) - Pass? The Honourable Leader of the Opposition.

MR. SPIVAK: I wonder if the Minister is in a position to deal with the auto agreement with the United States in reference to machinery and equipment, and we'll be talking I guess under trade development as well, with reference to the potential changes that can occur which would affect our farm machinery industry, whether he has any knowledge of what likely is to take place within this next fiscal year, if anything. I mean whether there are any danger signals for the industry and for the province.

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

MR. EVANS: Well I don't have that information offhand. I suppose we could do a study and we could talk to some of the agricultural implement companies, but as I said the other day, in general terms, the manufacturing industry in Manitoba has been sustained because the bulk of its market is in the prairie region and as long as there are high income flows into farming and into the other resource industries, this will tend to sustain our manufacturing industry which is still essentially geared to the prairie market. I can't speak precisely for agricultural implements, I don't have that information.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SPIVAK: If I understand you correctly, you're suggesting that in terms of the farm implement business that the major portion of the marketing of the product is in the prairie region and not in the United States? --(Interjection)-- But we have some substantial investments in farm machinery manufacturing with a number of people who are employed there, and my understanding is the market, to a large extent at least, the growing market is in the United States. And again, I wonder if the department's in any position to give an assessment of what the implications will be if the auto agreement is changed. We are aware of what the implications are for Eastern Canada and we know the problems that have occurred in the United States during its recessionary period. Now, my concern would be to determine whether any monitoring of the situation is taking place, whether there are any danger signals, and, you know, what representation, if any, the government's making in connection with this, because any real significant change could have a direct effect on employment in this province.

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

MR. EVANS: Well, I am advised that we're meeting with a large group of federal officials on trade problems next week, but more specifically about the conjecture, I would say that the trade in agricultural implements, I would remind the honourable member - or correct the honourable member - that does not come under the Auto Pact agreement, the exchange in agricultural machinery. That is under free trade arrangements between the two countries. Well, that's what I'm told here. Is that correct? It's our information that agricultural machinery goes into the United States free regardless, it is not governed by the Auto Pact trade agreement. --(Interjection)-- Parts. No, I don't think so. Unless they're interchangeable parts, like for trucks or something like this, but as far as combines are concerned or,

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(MR. EVANS cont'd) you know, harrows or rakes or what have you. But I would say this, that I suspect that in the American prairies that generally they're experiencing more or less the same situation that we are in the Canadian prairies, and that is, they are receiving better prices for their farm products and I think that, relatively speaking - I think - I think relatively speaking the American farmer is far better off than the American industrial worker in the Eastern United States, because that's where the unemployment is. I think Texas is still pretty prosperous, as Alberta is.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SPIVAK: I wonder if the Minister can indicate whether his department and this particular group were involved in representations to the Federal Government in connection with Sekine Bicycle and the problems they had with respect to the tariff changed.

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

MR. EVANS: Yes, Mr. Speaker, we were, and I'm very pleased to see that there's been some correction by the Federal Government. We were very much involved with this whole venture right from the beginning, including the sending of staff to Tokyo and discussions with H.C. Paul and Company and discussions with the Sekine people, and we have worked with them and offered our good offices. We're still assisting them very directly, as a matter of fact. We are still assisting Sekine very directly in Rivers and we did everything we could to help them with the tariff situation. I spoke to them about a month ago, and I'm advised that things are progressing, that the plant is progressing fairly well. As a matter of fact, I'm advised that this particular plant in Rivers, the level of productivity - now this isn't my measurement; this is the statement by the Japanese people - that the level of productivity in the Rivers plant exceeds the level of productivity in any plant that they have in Japan, and I thought that was rather interesting considering that this is a training program and involves a lot of people that are inexperienced.

But as far as the farm machinery sector, again I would like to just go back for a moment and say that we expect a good year again for the farm machinery industry in Manitoba. The sales to the prairie region are very high and we expect them to be sustained in the American West. We are not affected by what occurs in Eastern Canada or the Eastern United States because we don't sell our machinery into that region of Canada or United States, so we look forward to another good year for the Manitoba farm machinery industry.

MR. CHAIRMAN: (c) (2) passed. (c) - passed. (d)(1) - The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Chairman, I do wish to put a couple of questions to the Minister. I know that several years ago the Minister made reports in this House, with great expectation what the Misawa Homes would do for the Province of Manitoba and it would solve our housing problems. That's not what has happened, so I wonder if the Minister can indicate what is the present situation as far as Misawa is concerned, prefabrication in Gimli: is that still in operation, how many homes they're putting out, or what has happened? Or is the factory closed and has the government still got any involvement in it? I know that the reports that we used to get from the Minister's department, the Economic Development Consolidated Report that we used to read at one time, we were told that there was great potential in manufacturing of furniture, office furniture and other furniture in this province. And I'm sure the Resource Industries and Construction, I can bring this matter to the Minister at the present time, we also were given to believe that there is great potential in such a thing as manufacturing of mobile homes, and this industry could become one of the largest in Western Canada. The information that I get from some of the mobile home people, I'm told that the government has not been as co-operative as they could have been in this industry. We know that 85 percent or almost 90 percent of materials that go into the manufacture of mobile homes are right here in Manitoba, Manitoba-used products, so this could be a very viable and very exciting and potential industry. I see that we're importing more of our mobile homes than probably, not exporting, but manufacturing right here. And there's an area that I don't know if his department has been involved or got involved, and see what could be done that this industry can expand, because it's very highly labour-intensive and also, as I say, it uses 95 percent of the materials right here that are produced in Manitoba. So it could be the kind of industry that should excite the Minister, really, and his department.

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(MR. PATRICK cont'd)

The other one I would like to know where we stand and what is the potential, and has he checked into, and make any observations as far as manufacturing of office furniture and other furnitures are concerned in this province, because at one time we had glowing reports from the department itself that there was a great potential in this area, in the manufacturing of furniture. So I would like to ask the Minister at this time what is the position in that respect. Are we increasing our potential in the manufacturing of furniture, or has it decreased? What is the situation? Can we increase production of mobile homes instead of importing more and more from the other provinces, particularly Alberta? And the other one, what is the situation as far as prefabrication of houses is concerned, and particularly the Misawa Homes?

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

MR. EVANS: On Misawa Homes, I'm not prepared to comment on that. That is a matter - although I know we've been philosophizing here talking about different companies, that is a matter . . . Yes, I know it is an industry but, you know, you're asking a number of detailed question that pertain to the MDC. Well, you're asking whether we still own it and what the position of that company is and so on, and I'd suggest that is something that could be asked at the Economic Development Committee. I know we had Mr. Parsons here this morning for about 2 1/2 hours and I would hope that you could come to that committee and ask those questions. But I can't answer some of those questions that you've asked us. I think they've had, I know they've had their problems. I can't tell you right at the moment what their particular status is.

With regard to the furniture industry, I don't know what their present status is in Manitoba, and maybe I can find some figures on it here in a minute or two, but we believe that the output is increasing. I can't tell you what each individual company is doing, but as an industry I believe the output of the Manitoba furniture manufacturing industry last year probably was at a higher level than --(Interjection)-- It was, yes. I'm advised that it was. Any export? Well we've been trying to promote the exports. There is export, yes. There's three companies we know of that are exporting in a fairly significant way. But . . . well, at any rate those companies that are selling to the United States are going to run into problems and I suspect they are running into problems because of the recession in the U.S. But, you know, that's something we can't do much about.

But with regard to office furniture in particular, I was talking about all kinds of furniture but with regard to office furniture we are still attempting to attract these types of companies here. We're still talking to some prospects but, you know, whether they will establish here only the future will tell.

MR. CHAIRMAN: (d) (1)-passed. (d)(2)-passed. (d)-pass. (e)(1)-The Honourable Member for La Verendrye.

MR. BANMAN: Mr. Chairman, Project Development. I wonder if the Minister could elaborate a little bit as to what the functions and the purpose of this particular department is.

MR. EVANS: The major role of the Project Development Branch is to identify major potential job-creating investment opportunities in the province in co-operation with the other branches, and also if it doesn't fall within the scope of some of the other branches. You might consider the Project Development Branch to be sort of a front office for the industrial development activities per se of the department. I would simply say that, by and large, they tend to be engaged in some of the larger potential projects that are pending. It's a very small group. There are only about three people in it, but they are the people working on some of these current larger investment projects. You know, I could go on and tell you the various committees that they serve and the various techniques that they use, etc., but basically they have specialized in the field of chemicals, petrachemicals, energy and electronics, electrical apparatus.

MR. CHAIRMAN: Resolution, (e)(1)-passed; (2)-passed; (e)-passed. Resolution, 68 (f) (1). The Honourable Member for Assinoboia.

MR. PATRICK: Mr. Chairman, I would like to ask the Minister, or can he inform the House if the government has any trade offices or trade development offices in any jurisdiction? Is there one in Ottawa or in any other country? I know there's been some debate and discussion during the last session and prior to that time. I do know that some of the other provinces had some success by at least establishing a trade development office, say, in Ottawa, where there

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(MR. PATRICK cont'd) is some action or activity from other countries when people are travelling and they can come into a trade development office in Ottawa, or Manitoba Trade Office in Ottawa. Has the Minister given any consideration to such trade offices and maybe he has them established - I don't know. But I've had an opportunity to talk to some people that have had that experience in trade development offices, and they've at least convinced me, and I'm inclined to believe that they would be of great assistance to the Minister. Can he indicate to me now if he has any offices or what is his promotion and programming in respect to trade development in other countries, and what is the connection, say, in respect to the Federal Government?

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

MR. EVANS: I'm glad you asked the last question because it'll help me answer the first question. That is, I could be perhaps a bit facetious and yet a bit serious and say yes, we have trade offices all over the world, pretty well all over the world. Wherever there's a Canadian Trade Commissioner, Manitoba has an office. Now, you see, you're not satisfied with that. But it's our belief that with regard to federal trade, with regard to foreign trade offices, trade offices representing Canada abroad, this should be the responsibility of the Federal Government.

We have considered establishing commercial offices abroad and rightly or wrongly, we have rejected that avenue of approach. You are correct. There are many provinces that do so. I think it's an eternal embarrassment to Canada. In the case of Minneapolis, for example, after some years of us cajoling Ottawa into putting a trade office there to promote our interests, particularly Western Canada trade interests, you find the Government of Ontario has a trade office 30 feet down the hall from the Canadian Trade Commission. You know, that sort of thing is ridiculous and I think is a waste of the taxpayers' money, that duplication. Our procedure has been to promote trade through our Manitoba Trading Corporation and our Trade Development Branch.

We do have at the present time four people who are, you might say, travelling salesmen of a sort, one that concentrates on Canada outside of Manitoba, and one in the United States, the upper midwestern portion in particular. We have one who works Europe and another one that works Latin America. These are not offices - they do not have offices. While two of them may reside abroad, they are actually engaged in contacting agencies, etc. that could handle Manitoba-made products, and I think it's safe to say that where we've had the opportunity to utilize the Canadian trade offices, the Canadian trade offices have been very responsive. And I think, with these travelling salesmen, we are able to get far more from the Federal Government and from the federal Canadian trade offices abroad than we would otherwise, and we have had some degree of success, particularly in Latin America. I think this is where we're going to have to concentrate. What I mean is the underdeveloped areas of the world - there's a considerable potential. But there may be some in Europe and the United States, therefore we are attempting to promote the sale of Manitoba products there as well.

MR. CHAIRMAN: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Chairman, I thank the Minister for at least his attitude, the way he feels about trade offices. Can he give any consideration or tell me if the government did give any consideration to establishing an office in Ottawa? I don't mean a large office with great bureaucracy, but perhaps one person or two people, because I have talked to quite a few trade commissioners, Canadian trade commissioners, and I can tell him right now I talked to somebody last week and I hope that I'll be able to bring something to the Minister that may be of some interest to him. There are people from Europe today that are prepared to invest large amounts of money in this country because they feel this is still a stable country. When they are travelling through Eastern Canada that's as far as they come, and they want information about Manitoba and about Manitoba potential and possibilities. It would be quite easy for a businessman to walk into a Manitoba office in, say, be it located in Ottawa, and at least get the kind of information that they need about different industries. I'm sure the Minister knows; he spent some time with some people from Italy just recently who are prepared to invest millions of dollars in establishing sugar refineries in the province and they came and spent here a few weeks. And after, they did a complete research and found out it wasn't a viable operation at the present time. That's the kind of an office I'm suggesting or asking the Minister has he given any consideration, which would be of great assistance to these people who do come

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(MR. PATRICK cont'd) as far as Ottawa and consult the federal people, and it may be of some assistance if the Minister would have better connection.

MR. EVANS: Well, Mr. Chairman, we did consider establishing an office in Ottawa back, I think it was three years ago. We gave it a lot of thought and we decided in the negative. But I want to assure the honourable member that, apart from trade development, we do have an industrial development program and this is done on a very selective basis where we identify opportunities and we go after the specific companies. We have a program now relating to Japan, not to sell to Japan, but actually to attract certain Japanese manufacturers here. But that's done on a very selective basis. That is, in my opinion, the way to get the greatest value for your dollar.

MR. CHAIRMAN: (f) (1) pass? The Honourable Member for La Verendrye.

MR. BANMAN: Thank you, Mr. Chairman. I would like to just say at the offset here, I appreciate that something like trade development is possibly something like education - maybe you don't see the immediate results of what is to happen. And I noticed when looking through the Estimates that we are spending a fair amount of money with regard to trade development and a fair amount of time also, and realizing actually very few sales. And when I look at the Manitoba Export Corporation we're looking at sales actually shipped of \$100,000 last year, which was less than the amount allowed for the operation of that particular corporation.

But I would like to at this time, just for clarification, ask the Minister, when in annual reports they show the sales of different trade fairs and things that we are involved in, on the spot sales or future sales, I wonder if those are firm future orders or is that prospects?

MR. EVANS: The data that we refer to are based on the reports that the companies give to us. You know, they're not our estimates, they're what they tell us; and I guess like any future sale, some of them materialize and some of them don't. I think you could call them prospects. You know, they're hopes of what they're going to sell in the next period of time or whatever. You should not judge the expenditure of this money on trade development with regard to the operation of the Manitoba Trading Corporation only, because for some years the department has had a Trade Development Branch and this is still here, and this is a service to Manitoba companies of a technical nature, of a service nature, helping them with their problems in overcoming some of the red tape of customs regulations, import restrictions that certain countries might have, and so on. And this takes up a fair amount of time, and you don't show any return in a sale by the Manitoba Trading Corporation but some of the staff that support the Manitoba Trading Corporation are spending their time in helping Manitoba companies in documentation to sell abroad, and this I understand can take up a considerable amount of our resources from time to time. Also, there's a lot of activity, a lot of effort that goes into trade fairs and exhibitions and so on, and I understand that we assisted in the generation of approximately \$6 million worth of export business via the Exhibition and Fair route in the past year.

But talking about the export assistance I was talking about, there were at least a hundred companies that we assisted in the year 1974-75, and this related on the average, we're told that they came to us about six or seven times, so actually we had 600 or 700 export problems, specific problems, that were dealt with. With regard to ManiTrade itself, the Manitoba Trading Corporation, in the past year it has helped Manitoba enterprises sell orders in 21 countries totalling about a million dollars.

MR. CHAIRMAN: The Honourable Member for La Verendrye.

MR. BANMAN: Mr. Chairman, I wonder if the Minister could tell us, under the Manitoba Trading Corporation, could you tell us the amount of money that will be allotted for that corporation this year?

MR. EVANS: Mr. Chairman, it's in here. It's \$90,000. It's (f) (3).

MR. CHAIRMAN: I wonder if the honourable member would bring that question up under (f) (3). We're on (f) (1). Under (f) (1).

MR. BANMAN: Mr. Chairman, I'd like to ask the Minister, and there's been a lot of talk about trade development with Latin America countries, and of course the one in particular that seems to be in the spotlight right now is the one with regard to the country of Cuba. I know members on this side as well as the other side, I'm sure, have had some questions with regard to what precisely is going on with the Manitoba Government as far as the hotel in Cuba is concerned, and I wonder if the Minister could clear up some of the questions, that I know have been asked of me and I'm sure have been asked of him with regard to the Cuban hotel. Are we

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(MR. BANMAN cont'd) taking an equity position in that particular hotel by furnishing them with certain materials and goods from Manitoba? Are there any loans involved from the Manitoba Government towards the reconstruction or renovation of this hotel? Is there one hotel in specific or are there other enterprises that the Manitoba Government or the Trading Corporation is presently engaged in with the Cuban Government, and, if so, if he would mention to us here what those particular enterprises would be?

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

MR. EVANS: There is no equity in this particular project by the Manitoba Government through the Trading Corporation. There are no loans. It's one hotel, and if there's any financing at all by ManiTrade, Manitoba Trading Corporation, it's strictly interim or bridge financing to the Manitoba companies who are going to be supplying the goods and services if - underline that five or six times - if the deal goes through.

MR. CHAIRMAN: (f) (1) -- The Honourable Member for La Verendrye.

MR. BANMAN: I wonder if the Minister could advise us as to whether the extended vacation of the Attorney-General, the Honourable Attorney-General last winter, this past winter, was with regards to this particular item, the hotel.

MR. EVANS: Oh no. No, Mr. Chairman. As I understand, my colleague the Honourable Howard Pawley went to Cuba on one of the growing, among the growing charter vacation business that's occurring between Canadians going down to Cuba. It's very economical, I understand. The weather's very nice and warm and the beaches are very clean, I am told. They need a new hotel or a refurbished hotel which we may help with, but, no, this was strictly a personal vacation, although I believe he spent a day or two on some business relating to his particular responsibilities with the Manitoba Liquor Commission. But he had no involvement with the negotiations that we've been conducting vis-a-vis the refurbishing of the Hotel Nationale. Just for the information of honourable members across I'm advised that there are about four aircraft a week in the winter months, on average, going to Cuba taking about 600 Canadians a week, and of course, as the honourable member knows, the federal Minister, the Honourable Alastair Gillespie, federal Minister of Industry and Commerce, was down there only a few weeks ago, and also the Ontario Minister of Industry and Commerce was down there, I believe, two years ago. Unfortunately, this Minister of Industry and Commerce has never been to Cuba.

MR. CHAIRMAN: The Honourable Member for La Verendrye.

MR. BANMAN: I suppose the question we should ask then is, when is he going? But of course, Mr. Chairman, what concerns us - and he mentioned some of the federal Ministers being there and we've also heard that there were some problems with Air Canada with regard to somebody getting a villa down there, and that was in the Barbados, I understand, but Cuba's not far from the Barbados - would the Minister have the information with regard to the estimated future sales that were spelled out last year in the annual report by the companies participating in the trade fairs, in the different trade shows, out of the future sales that were anticipated? I wonder if he would have a breakdown at all to show, actually a year later, what was really sold with regard to these trade fairs by the companies.

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

MR. EVANS: Well, we'd have to go back to all those companies and ask them. This is the information they gave us at the time of the conclusion of the Exhibition and this is what was reported. The only way we could firm up whether their expected future sales were realized, is to go back and ask each one of them whether they did occur or not.

MR. CHAIRMAN: Resolution (f)(1). The Honourable Leader of the Opposition.

MR. SPIVAK: I wonder if the Minister can indicate, of the manufacturing output in the province, how much is exported now out of the province, the percentage, and how much of the total is exported outside of Canada.

MR. EVANS: Did you ask for the total amount that was exported? Well, this figure says that the total exports for Manitoba amounted to almost \$510 million for the calendar year 1974 according to Stats Canada, but this is all kinds. Manufacturing was only a third of that, \$142,850,000, but I think you wanted to know what percentage of our manufacturing output was sold out of the province in Canada and how much abroad. Just a moment. We estimate that more than half the output of Manitoba manufacturers is sold outside of the province. That's in Canada and everywhere.

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MR. SPIVAK: I wonder if the Minister is in a position to indicate how much percentage-wise was outside of Canada - was it 20, 25 percent?

MR. EVANS: Well we don't have a precise figure here, but it is a small figure. It's been suggested it's about 14 or 15 percent. I don't even think it's that high. But we can get that for the honourable member if he likes.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SPIVAK: My point, Mr. Chairman is, why can't it be raised in this discussion as to whether the manufacturing capacity, or manufacturing potential, or manufacturing achievement, can be maintained if the economy continues to fluctuate in the way it has and is at the present time. My point to the Minister - and this is why the figures have become important - with the increase in wage costs to manufacturing that is taking place in this province, with the escalation of wage rates that are taking place, with what apparently appears to be no real attempt to invest in new productive equipment - and I think that's borne out by the capital repair expenditure items that I've already referred to - is there a danger now that our capacity to be able to compete in the markets in Canada and in the markets in the world will be threatened because of the both decrease in our productivity and the increase in our wage rates that are taking place? In other words, with respect to our economy, are we being realistic about the opportunities that have been taken advantage of which may very well disappear in our competitive position to be able to maintain our exports to Canada and outside Canada? And are we not at a point where very serious concern has to be expressed, and where in fact initiatives have to be taken by the department in being able to statistically and figuratively point out the position that we're at?

Now, I expressed some conclusions, that may not be able to be supported by the facts, but I'm wondering whether the department really has the facts, whether the Minister has the facts, and my concern at this point is that if we do not have the facts, then are we not in a serious situation in being able to judge what really has happened? Surely both labour and management have to be aware of, you know, what the consequence will be of increased escalation in wage rates, which will ultimately have to be passed on in the finished goods produced, which can very well affect our ability to compete.

We have serious disadvantages with respect to freight rates, we have increased energy costs that are taking place, we have, I would suggest, problems of our productivity, we have problems with respect to our own technology and maintaining a technological achievement equal to what is taking place in other industrial activities outside of this province within this country and outside of Canada, and I wonder whether we're not at a point where we face some serious consequences, which will affect the employment opportunity for many who believe today that their positions are secure. The impression I have . . . and I think the Minister has to indicate whether this is his impression because I've talked to enough business people to know that at this point there is a very cautious attitude being taken. They have benefitted, like many people have benefitted, as a result of inflation, and they have seen an increase in prices taking place in which profit margins have been reasonably high, and it's reflected in the corporation tax revenues that are forecast for this coming year, which is about a 40 percent increase over the previous year - which I think is probably the highest percentage increase ever, in terms of corporation tax revenue. But at the same time, that period is now passing in what I sense is a very real concern in which, if anything, there is what I would refer to as an attitude of retrenchment because of the inability for them to be sure of what their market potential will be, and the maintenance and capability of being able to work at profit margins and be able to be competitive with the increased cost escalation that's taking place.

I wonder whether we're not at a point where there is in fact initiatives and activities and direction that has to be given by the government and by the Minister in this area, and I wonder whether the government has organized itself in such a way to be able to obtain itself in such a way as to be able to present it, and if it has, I wonder if it would present it to this House.

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

MR. EVANS: I gather you're concerned about the rising costs of production, including wages, because of the inflationary situation and how this might affect our competitive position as Manitoba producers, manufacturers, vis-a-vis markets particularly outside of Canada. Right? First of all, I want to firm up the figures. Our estimates on the amount of exports,

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(MR. EVANS cont'd) the amount of our total production for manufacturing - I'm only talking about manufacturing now, not about the primary resources - that is sold outside of Manitoba, approximately ranges between 25 and 33 percent - in that area, strike an average, let's say, about 30 percent. The amount outside of Canada is probably in the order of six to seven percent. In other words, six to seven percent of the output of Manitoba manufacturing is sold outside of Canada. --(Interjection)-- \$142 million last year, which was about a third increase over 1973. That's 1974 over 1973, \$142 million was the level of 1974 and that was one-third increase, 33 1/3 percent increase, over the level for 1973. That is exports abroad, exports out of Canada.

No, we have not done any study as to the impact. You know, there's no precise study. I think we have a lot of pieces of information in the department on very specific industry groups, industry sectors, but I just wanted to point out that this phenomenon of wage increase is not peculiar to Manitoba, in fact it's not peculiar to Canada. You look at Europe, for example, and you'll see that the problem of escalating costs is a problem that is very prevalent in Western Europe; it's prevalent in all industrial societies today. As a matter of fact, the inflation that we're experiencing in Canada has been considerably less than the inflation that was experienced in many of the western European countries. At the moment, Britain is experiencing inflation in the order of 21 to 22 percent. That is the latest figure at an annual rate, calculated on an annual rate basis, which is about double the amount of inflation that we have in Winnipeg. And Japan has had a phenomenal increase in inflation too. Currently it is undergoing about 24 percent annual rate of inflation and their wages, I'm advised, are increasing at about 32 percent. Well, I used Britain and Japan but there are other . . . You could look at the OECD figures and you'll see that that has been the case in Western Europe.

Now the rate of inflation has fallen off in the United States, but they've had to pay a very terrible price for that, and that is about 9 percent unemployment and now some labour leaders are predicting unemployment may exceed 10 percent, 11 percent, and they even go as high as 12 percent, which is disastrous. But that is the price the Americans are paying for diminishing inflation. I think that we can safely say that, relatively speaking then, while costs are rising in Manitoba they are not rising unduly vis-a-vis other areas of Canada and many other areas of the world.

The other point I would make is that the Canadian dollar at the moment has tended to become devalued. I think it's two or three cents less than American, and of course the devaluation in Canada's dollar is on a floating exchange basis. In other words, the Canadian dollar is floating - which I incidentally welcome. I think it's good to have a floating dollar. But at any rate it's floating downwards and that will have a tendency to make goods manufactured in Canada more competitive in world markets. It will be easier for us to sell abroad.

On the matter of getting detailed data on productivity in Manitoba, I would advise the honourable members that we are engaged in developing a system to get very precise and very detailed data on productivity by industry groups in Manitoba, and possibly we will be in a better position to isolate the key pressures, cost pressures, on our firms. However, I haven't got any specific information. I can just make a general observation at this time.

MR. SPIVAK: The Minister indicated about \$146 million of export out of the country, if I'm correct - 140, - 146 million more or less? 142 - all right. Could he indicate how much of that comes from the fashion industry?

MR. EVANS: I haven't got that information, Mr. Chairman, but we might be able to get it. I don't know whether we can get it tonight but we'll certainly get the information and relay it to the honourable member.

MR. SPIVAK: Well I wonder . . . original amount of 146 million, the substantial amount of 146 million. I'm not asking in specific . . .

MR. EVANS: My experts tell me it may be 10 to 15 percent of this total. We are estimating that it's likely around 10 to 15 percent of the total figure here. Now that's just an off-the-cuff estimate.

MR. SPIVAK: Well I think the Minister in his answer will acknowledge one thing, that if in fact the inflationary rate in the United States is less than that of Canada, whatever the consequences may be to the United States and whatever difficulty there may be with respect to unemployment in the United States, it presents for our manufacturers a real threat to the extent that our problems here, being what they are and being part of the national scene and being part

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(MR. SPIVAK cont'd) of the economy that we are trying to control now, can in fact create and develop for us a competitive position or an uncompetitive position, in which some of the gains we made with respect to our exports will in fact be challenged. My point being that at this point are we really alerting the key elements within our economy and the key leaders within our economy to the potential danger that can occur with respect to the future. And this is not done on the basis of pessimism, but on the basis of realism in the competitive world that we live in, and recognizing, you know, the sheer difficulty we have of trying to be able to sell our products and maintain the market opportunities that we've been able to open up in the past. And my concern at this point is that we're in an area and we're in a period where concern has to be expressed, both in this House and to the industry and to the leaders of labour, and to all those who are concerned about the economic development of this province, to understand the need for some kind of consensus on where we're going, because if we don't, my suspicion is that the escalation that we're seeing with respect to certain areas in our industry now in terms of wage increases, can in fact put ourselves into a position where in effect we will be basically hurting ourselves and hurting the maintenance of job opportunity that we now have.

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

MR. EVANS: Well I would agree with the honourable member. He was talking about the clothing industry, the fashion industry. I would think that what is going to hurt that industry in the United States market - and I think you can start with the United States market - is not the varying rates of inflation, but the fact that there is wide-scale, very deep unemployment, which is reducing consumer demand. That is the threat and I share his concerns on this. I just want to say that perhaps Canada is too dependent on the American market and we should be attempting to diversify our exports, and as a matter of fact this is what we've tried to do. To the extent that we have some resources, we have been attempting to diversify our trade, particularly, I would say, in Latin America where there is I think a fair amount of potential. At any rate, I guess I've always said that we're not an island unto ourselves and that we live in a national economy, we live in a North American economy, we live in an international economy, and we are eventually subject to these pressures, inflationary and otherwise, beyond our borders.

MR. CHAIRMAN: Resolution (f)(1)--passed; (2)--passed; (3) . . . The Honourable Leader of the Opposition.

MR. SPIVAK: I wonder if the Minister can indicate with respect to the Manitoba Trading Corporation, whether it was conceived as part of the operation of the Trading Corporation that there would be an effort undertaken at the same time that the Trading Corporation commenced its operation, and changed from the Export Corporation, an effort made to help finance both the exports and the encouragement and the expansion of industries whose manufacturing output could in fact be handled by the Trading Corporation, or whose export business would have increased as a result of the activity. Was it contemplated that there would be, through the Manitoba Development Corporation, funding arranged for, or provided for, for the expansion of existing operations so that those officials in the Trading Corporation who could identify an opportunity would be able to both offer export opportunity and also indicate financing that could be available from the government? Was that contemplated as part of the original concept and is that part of the working arrangement that is contemplated in the operation of the Trading Corporation itself?

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

MR. EVANS: No, Mr. Chairman. The Manitoba Trading Corporation does not lend money to any company nor take equity in any company. What we might do, what we can do, is provide export bridge financing for Manitoba companies by purchasing goods to fill an export order and paying the supplier in accordance with his domestic terms. This is to help overcome some of the unduly extended or long terms involved in overseas orders. And of course if we are required to assist in that way, of course we do charge, and there is an interest rate charged, a fee charged and so on. But we do not lend money or take equity as such.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, I understand from the Minister, I realize the Manitoba Trading Corporation does not have that function, but was it contemplated that the Manitoba Trading Corporation, in identifying export opportunities and potential for expansion, would work hand in hand with the MDC and through the MDC be able to offer manufacturing firms

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(MR. SPIVAK cont'd) the opportunity of expansion to be able to meet export opportunities identified through the Trading Corporation, and possibly financed as well, the bridge financing for the export being handled by the Trading Corporation? Isn't it a fact that this was contemplated as part of the operation, that the Trading Corporation would be able to handle the export but also would be able to identify those industries who would be in a position to receive loans and to be in a position to expand?

MR. EVANS: Well, this would develop in the course of events, that if we were able to identify a potential export market which would enable a Manitoba manufacturer to expand, and if that manufacturer could not obtain normal financing and so on, I could foresee ourselves, if we were invited by that company, to support them in their bids to get MDC financing if that should come to pass. But, having said that, I would also say that we are quite prepared to serve all companies whether they have MDC loans or whether they're Crown corporations. I would hope that in the future we would be able to provide a greater export service for some of our Crown manufacturing agencies, but there is no special arrangement as such for them.

MR. CHAIRMAN: The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON (Sturgeon Creek): Mr. Chairman, to the Minister. As I read the bill on the Export Trading Corporation and when we changed it from the Export last year, it seemed to me that the Trading Corporation could, if they wanted to, purchase products from Manitoba companies and be their agents in other parts of the world or in other provinces. Has the Trading Corporation to date set up any warehousing, or do they have commission salesmen, which would be allowed according to the bill, presently contacting companies to be their sales agents, or buy their produce and be their distributors in other areas?

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

MR. EVANS: Yes, Mr. Chairman, we're actively working with 45 Manitoba companies now, either as a sales agent or as a merchant agent, and there's some very specific examples. I could give you, I guess, the Quality Communications at Morden. We worked as an agency, as sales agents for them, to sell electronic equipment to the Turkish Telephone Company. That's one example that comes to mind. I think there's another example. We identified an export market for a small abattoir in Panama, and we subsequently were able to make an arrangement with Canadian Rogers Western Limited to supply the entire abattoir. It was about a three quarter of a million dollar package deal. I must say, however, some of the components were made outside of Manitoba, but the total deal was handled by Canadian Rogers and we acted as an agency there. In the year 1974-75 we have acted as a merchant and made sales for a number of companies. I could give you some of the names if you want. If the member's interested, I could read off a dozen names here.

MR. F. JOHNSTON: Just a couple.

MR. EVANS: Just a couple. Kipp Kelly Limited. We sold some wild rice for the Indian Rice Producers Co-operative - I think we sold a fair amount to Chicago, was it? Minneapolis. We helped them sell a quarter of a million dollars to Minneapolis. Micro Tool and Machine Limited is another example. There's a company here - Automotive Accessory Company Limited - I'm not sure what's involved. Harco Electronics Limited. Alphametrics Limited, and so on; there are several others. But we have an agreement with 45 companies to work with them in their export efforts.

MR. F. JOHNSTON: I wonder if the Minister can tell me, when you work as an agent for a company do they pay you commission?

MR. EVANS: Yes.

MR. F. JOHNSTON: Mr. Chairman, then this is the export going out, and I remember clearly when the bill was brought up that the Premier and the Minister were concerned that the Trading Company had to be called the Trading Company because it was all one way - it was all going out of Manitoba. Has the Trading Company done anything in respect to buying from other areas other than Manitoba and warehousing and selling to Manitoba industries?

MR. EVANS: The position was that there was an element here, an opportunity perhaps, for us to sell to a particular country, and I'm thinking especially of the developing countries that tend to have a large number of trading companies themselves in various . . . Well, even the Japanese have these things, these organizations. And we thought that we would perhaps open a door to us by saying, okay, we are prepared to facilitate the purchase of "X" amount of such and such product that we can utilize in Manitoba, in turn for some sale of Manitoba

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MR. EVANS cont'd) . . . -. products to that company, or to that country. To date, although we have this in mind, to date there has been no such arrangement consummated.

MR. F. JOHNSTON: Mr. Chairman, I'm wondering if the Minister does have the amount of commission the Trading Corporation has earned so far.

MR. EVANS: I understand the commissions average about 3 percent of sales. So there's a million dollars worth of sales that we've promoted.

MR. CHAIRMAN: Resolution (f)(3)--passed; (f)--passed. Resolved that there be granted to Her Majesty a sum not exceeding \$1,318,000 for Industry and Commerce. (Passed).

Resolution 69(a)(1)--passed; (2)--passed; (a)--pass? The Honourable Leader of the Opposition.

MR. SPIVAK: I wonder if you can indicate how many meetings the Economic Development Advisory Board held last year.

MR. EVANS: How many meetings has the board held? You don't mean public meetings, you mean meetings of the board.

MR. SPIVAK: Yes.

MR. EVANS: Well I know there have been several meetings - I can't give you the precise answer but, Mr. Chairman, we are arranging for the Chairman of the Economic Development Advisory Board to appear before the Legislative Committee on Economic Development, and they will be making their Annual Report, and perhaps you could ask that type of question of the Chairman. But at the same time I'm quite prepared to get you the information in the meantime, if you wish. But otherwise I would ask you to wait until the Chairman of that board appears before the Committee.

MR. SPIVAK: Mr. Chairman, through the Minister. Does the Minister really believe that this amount of money is justified? Does he really believe that the Economic Development Advisory Board serves any function whatsoever?

MR. EVANS: Well obviously, if we didn't think it served any function we wouldn't have it in the Budget. But I think that it has performed a particularly useful role in stimulating discussion and debate on regional development issues. There was a conference held earlier in this year in Winnipeg and it was extremely well attended, and as I understand . . . I don't know whether the honourable member was there or not, but it was very well attended by the business community and by professional people in the province, and we've had some very very excellent speakers and I understand there was some excellent discussion and debate. The board has also held smaller seminars of discussion around the province and I think they'll be doing more in future.

MR. CHAIRMAN: (a)(2)--passed; (a)--passed. (b)(1). . . The Honourable Member for La Verendrye.

MR. BANMAN: Mr. Chairman, I would like to ask the Minister what research, in effect, this particular department does on its own. I notice when I get the monthly report that the Manitoba Bureau of Statistics puts out, I notice that almost all of the stuff, they refer to the information taken out of the Statistics Canada documentation. I think the concern that I have and I know many of my colleagues do, is that we get this fairly thick book and basically all that happens from month to month is that you get another column printed on the end. I question whether there wouldn't be some more efficient method of getting this information to the people that subscribe to the Manitoba Bureau of Statistics literature. It seems like a tremendous waste of not only printing time but also paper, to put out this big booklet and then just add one column every month.

The other thing I'd like to ask is what active research is the department doing, or are they taking all their information from Statistics Canada and then just transposing it back on to different paper and the way that they feel would be more presentable to the people.

I'm also wondering, I notice that the moneys allotted to the bureau this year are exactly the same as last year, and is there going to be a cut in staff and a cut in the amount of materials produced by them, or what would the reason for that be? I'd like the Minister's reply to that.

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

MR. EVANS: Well, a lot of the work of the Bureau is as an internal service agency for other government departments, and many of their - I know every week they receive dozens of inquiries for statistical tabulations. The research of the Bureau is confined to statistical

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(MR. EVANS cont'd) research, research into getting better raw data, as reliable basic information on the economy and society of the province as possible, providing basic data, such as Statistics Canada looks upon its role, providing basic data for the government to use, for the community to use. They handle inquiries, however, from the private sector, from the community as well. They receive many inquiries which they attempt to provide. You don't see those because they go out on a special basis.

The Winnipeg Builders Exchange are currently discussing with the Bureau the possibility of a construction survey, which I think we are going to be able to carry out in co-operation with them, and this will be new information that has not been available before. In addition, I would point out that the Bureau collects and publishes, tabulates and publishes quarterly and annually information on credit unions in Manitoba. It also undertakes a food prices survey of Northern Manitoba, and incidentally this information, I understand, is of considerable use to a lot of agencies, including Manitoba Hydro, in looking at the cost of living problems that some of their employees are faced with in the North.

Another area is with regard to the census. Because we do have a Statistics Act, we are able to get access to the census tapes of the Statistics Canada and we're able to run off various kinds of cross tabulations, various types of statistical calculations that wouldn't necessarily be available from Statistics Canada. We have these tapes and the Bureau does these tabulations, I am advised, from time to time for various departments and agencies. So there is a variety of things that occur that don't see the light of day in a published document such as you refer to. If the honourable member finds the document of no use, we'll be delighted to take him off the mailing list.

MR. CHAIRMAN (Mr. Shafransky): The Honourable Member for La Verendrye.

MR. BANMAN: Thank you. I would like to pose the question I proposed to the Minister before. I wonder if he could tell us why the same expenditure as last year. Is there a cut in staff and a cut in the amount of material that will be produced by these people?

MR. EVANS: No, there's no cut in staff. Some of the work that is done for outside groups is paid for by the outside groups. In other words, a contribution made by an Industry association or by another department or agency, would be expected, is expected to contribute towards the cost of that type of work.

MR. CHAIRMAN: (The balance of Resolution 69 was read and passed.) Resolved that there be granted to Her Majesty a sum not exceeding \$461,700.

Resolution 66(1)--passed.

That concludes the Department of Industry and Commerce.

MR. GREEN: Mr. Chairman, I wonder if someone could advise the gentlemen in the simultaneous committee that we have concluded here, and then we'll deal with both committee reports at the same time.

. . . . continued on next page

COMMITTEE OF SUPPLY - DEPARTMENT OF HIGHWAYS

MR. CHAIRMAN: I would direct the attention of members to their Estimate Books, Page 28, the Department of Highways, Resolution 62 (c)(1)--Passed; (2)--Passed; (c)--Passed. The Honourable Member for Pembina.

MR. HENDERSON: Yes, this heading "Bridges" . . .

A MEMBER: We haven't got to that yet.

MR. CHAIRMAN: Yes, we have.

MR. HENDERSON: Oh, I'm sorry.

MR. CHAIRMAN: Resolution 62 (d)(1), Bridges. The Honourable Member for Pembina.

MR. HENDERSON: Yes. Would the Minister mind explaining just how this works, salaries on Bridges.

MR. USKIW: Salaries?

MR. HENDERSON: Yes. Well, I mean he's got Bridges there.

MR. USKIW: Yes. It's the salaries for the staff related to the bridge department of the branch.

MR. HENDERSON: For the planning of the bridges, is it?

MR. USKIW: Planning, design section. The office staff.

MR. HENDERSON: Not the big office staff. Just in the design and the planning.

MR. USKIW: Well, I guess I'm not speaking into the mike.

MR. HENDERSON: This looks like quite a large sum for that.

MR. USKIW: It's marginally over last year, Mr. Chairman, if that's the question that is being raised.

MR. HENDERSON: Yes. But when you're talking about the design of bridges like, it's 549,400. It's still a big figure unless you're doing an awful lot special in the designing of your bridges. Well, do you design each bridge individually? Individually?

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: Mr. Chairman, there are 38 staff-man-years involved in the bridge department, so that most of that is salaries.

MR. CHAIRMAN: The Honourable Member for Fort Garry.

MR. SHERMAN: Thank you, Mr. Chairman. There are two bridges that are on my mind at the present time, and I would like to ask the Acting Minister about them. One is the bridge at St. Adolphe; one is the proposed Fort Garry-St. Vital bridge. But I want to take them one at a time and ask him about the bridge at St. Adolphe, and why public moneys are being spent on building that bridge at St. Adolphe - actually the construction of the bridge isn't under way yet, but all the preliminary work has been cleared to go ahead - in some cases it is going ahead - and I fail to see the logic for building a bridge at St. Adolphe, particularly at the expense which is involved, particularly when you consider that the community is located right now midway between two bridges, which seem to serve that community and that region more than passing well. So my first question to the Minister is, what was the rationale behind the decision to construct a bridge at St. Adolphe which is going to cost several millions of dollars? I know that the specific cost of the bridge itself is not several millions of dollars, I think it's \$1 million. But when you consider that the preliminary work, the landfill and everything else that's involved, it comes to several millions of dollars.

MR. CHAIRMAN: The Honourable Minister. The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Chairman, if I could just interject on a point of order here, the point was raised in the Chamber late this afternoon that under the arrangements such as we now are working that it's perfectly permissible, if the Minister, or the Acting Minister wishes to have the Deputy Minister answer, and I'd just remind him of that if he wants to operate that way.

MR. USKIW: Well, I'm aware of that, Mr. Chairman. Well, in any event, Mr. Chairman, I'm advised that the bridge that is being constructed replaces a ferry that was operational there for many years and which either had to be replaced, or a bridge put in place, so that the decision was to connect the community of St. Adolphe with 75 via a bridge. I don't know whether that is the point that the Member for Fort Garry is trying to pursue, but that's the rationale behind it in any event.

MR. SHERMAN: Well, Mr. Chairman, I suppose the point I'm trying to pursue is a justification for the, you know, the decision to build a bridge costing in excess of \$1 million at that particular point. The community, as I have suggested, is midway between two excellent

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(MR. SHERMAN cont'd) bridges at the present time. I think it's about halfway between two bridges that are seven miles apart.

A MEMBER: Is that right?

MR. SHERMAN: Yes. The government has said that the cost of this bridge at St. Adolphe is going to be \$1 million, but if you look at the cost of the land and the roads, the access roads, the land that has to be filled up for a very long way, we're probably looking at \$2-1/2 million, to serve the community of St. Adolphe, which is completely surrounded by a ring dike and which can't grow. It's not a community that is growing or has any potential, any recognizable or documented potential for growth. If you drive out and take a look at the surrounding area and you inspect the land in that particular area, you come very quickly to a realization that there's an enormous amount of build-up work that's going to have to be done in the area, on the land in the area to make a bridge even practical. You know, I'm asking for some sort of justification and rationalization for that decision. At the same time the Provincial Government doesn't seem very enthusiastic about supporting the concept of a bridge linking Fort Garry and St. Vital, which would serve as a major truck thoroughfare and arterial avenue for a very heavily travelled area. There's no comparison between the intensity of traffic and travel in Fort Garry/St. Vital and in the St. Adolphe area. I find that a rather incongruous decision for the government to have come to when they're still, as near as I can determine, opposed to the Osborne Street Bridge that's been proposed in this area and the Fort Garry Bridge.

MR. USKIW: Well, Mr. Chairman, the problem is that where a community has been accustomed to having some sort of access across the Red between 75 and St. Adolphe vis-a-vis a ferry system, that one has to assume that we can't regress on that point, that we have to maintain the communication and transportation link, so that in essence it would require either a continuation of the old ferry or replacement of it, or the building of a bridge.

Now, the other factor involved in that the ferry is mobile only six months of the year, so that the other six months there is no way of transportation across the Red at that point. So that the bridge does make sense in that respect. The Deputy advises that long-term it's looked upon as a connecting route which will serve as a bypass around the city, so that it'll link up, in other words, with other roads. But that is some time away.

With respect to the St. Vital bridge, I'm advised that we're into a period of preliminary work, the design stage, and that indeed it involves the participation of the City of Winnipeg in that it's a 50-50 cost-sharing project. So that it is not being excluded but it is under way at some stage.

MR. SHERMAN: Well, Mr. Chairman, I thank the Minister for the information but it seems to me that when he says that envisioning that bridge across the Red at St. Adolphe, there's an element in, or a part of an eventual bypass around the City of Winnipeg, is something that is some distance away, I would say that that's the understatement of the year, you know. If you look at the map this is going to be an element, a unit, or a link in a bypass that's going to stand out there all alone by itself for decades before there's any link-up or hook-up with any viable bypass, as far as I can see at the moment. Also I'm not just going on the basis of the map, I'm going on the basis of driving out and looking at the area myself, and I cannot see why a bridge is necessary in that area. They're not that, you know, they're not that far from Ste. Agathe, they're not that far from the perimeter. Were there traffic studies done? Have there been surveys and projections and traffic studies done, establishing the fact that there really is a need for a bridge in that area? I'm under the impression that many people in that area come into Winnipeg on Highway 59 anyway, that they're not looking to use 75.

A MEMBER: That's right.

MR. SHERMAN: I just would like to know if there were studies and surveys which indicate that everybody in St. Adolphe wants a bridge so they can use Highway 75, that's fine. But I haven't seen any evidence of that.

MR. USKIW: Mr. Chairman, I don't know that there's any more that I can add to the statement that I've already given to the members. I have no way of knowing the overview that had been considered some two or three years ago when the decisions were made. But I would have to say that it's well under way, it's almost too late to question the need of the bridge when it is being built. Now, whether it is based on the right rationale or not, I'm not in a position know, other than to indicate that the department felt that this would serve as a better facility for connecting up the community with the west side of the Red River than the

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(MR. USKIW cont'd) old ferry system which I suppose in the modern period has to make some sense. Would that be the last ferry that we've . . .

A MEMBER: One more to go.

MR. USKIW: There's still one more to go. I see. There's still one more yet.

MR. HENDERSON: Is there really just seven . . .

MR. CHAIRMAN: The Honourable Member for Virden.

MR. HENDERSON: Is there really just seven miles between these bridges at the present time?

MR. USKIW: Approximately that.

MR. HENDERSON: And this bridge is going to cost a million dollars, at least?

MR. USKIW: Estimated at that amount.

MR. SHERMAN: That's what the government admits it's going to cost.

MR. USKIW: Yes.

MR. HENDERSON: It sounds terrible to me when I think of Highway 305 and Highway 13, and there's all that distance in there without a paved highway even between, and why we would go and spend a million dollars on one bridge when there's another bridge just - there's nobody would have to travel very far when the bridges are only seven miles apart.

MR. CHAIRMAN: The Honourable Member for Fort Garry.

MR. SHERMAN: For the record, I'd really have to question the political decision that was made in this case, Mr. Chairman. I think there are many parts of the province that are deserving of government expenditure, expenditure of public funds on roads and bridges, much more so than that particular area, and it's not because that particular area doesn't deserve it's place in the sun, too, but it just doesn't have the population, it doesn't have the potential, as I've said it's surrounded by a ring dike, and it's not growing, and they have Highway 59 at hand, they have two bridges, one to the north and one to the south of them, seven miles apart . . .

MR. HENDERSON: And then Highway 200.

MR. SHERMAN: And I find it very difficult to escape the cynical conviction that it was a political decision, and that that particular constituency, being represented by the government as it is, was shown some favoritism in this respect, whereas other constituencies in the province, including my own, that are not represented by government members, are attempting to get roads and bridges and other services and having some substantial difficulty when the arguments and the viability for roads and bridges in their areas are much more substantial than they are in the case of this limited population community of St. Adolphe. And I don't want to delay the work of the committee, and I don't want to belabour the point, but I want to register for the record my objection to what I think has been a political decision.

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: Mr. Chairman, I think that one has to review the history of the development of the bridge concept. I'm advised that the ferry structure that was there was owned by the municipality or the Town of St. Adolphe, which in 1965 it seemed to be advisable that the province take over the responsibility for the conveyance of people across the Red at that point.

Now if it was a political decision to do that I have to accept that, if that was the only rationale behind it. But once you take that decision it follows from that, that the community will continue to pressure for upgrading of that service, and that I have to assume that the community maintained its position and convinced the government that the ferry ultimately had to be replaced with a bridge. But the decision really dates back to 1965 when the province assumed responsibility. So if it's political it's before the time of this government, Mr. Chairman.

MR. HENDERSON: It doesn't say you have to make another one though.

MR. USKIW: Well, I mean, one stems from the other, you make one decision and then you . . .

MR. HENDERSON: Two wrongs don't make a right.

MR. USKIW: Once you come into a community, you know, it's hard to pull back.

MR. SHERMAN: There are bridges and there are bridges, though, Mr. Chairman, and you know, as I've pointed out there are enormous personal expenses involved in building a bridge in that particular area. And what are you going to do? You're taking a relatively agrarian, relatively rustic, relatively pastoral area of Manitoba and you're dropping the equivalent of the Golden Gate Bridge in there, and it's a joke. You know, you don't need "a" bridge.

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(MR. SHERMAN cont'd) Perhaps there is some argument that can be made for some kind of a structure in order to get across the river, although I frankly would prefer the ferry for many reasons, not the least of which are aesthetic, but I find it difficult to justify the kind of expense involved in the circumstances. Some kind of crossing, all right, but I think that this is - my own impression is it's a bit of a joke in the neighbourhood itself, that the people in that area feel that, you know, this is something of a particular plum that's been dropped in their laps for being on the right side of the political fence. I think if you drove out there and took a look at the area, and took a look at the need and the requirements - and perhaps you've already done so, Mr. Minister, through the Chairman to you, and if you have, I don't mean to be presumptuous, but if you did I think you would find that it was a bit hard to, you know, a bit hard to justify even in your own mind.

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: Well I simply want to reiterate that if it was an error of judgment it has to be said that that error of judgment was assumed in 1965 when the province decided to take over the ferry system. It was inevitable once that was undertaken that there would be pressures for a better system of transportation across the Red at that point. That's something that is part of the evolvement of community pressures once government commits itself in that way. Now whether it's right or wrong is another question. But once having made the commitment, I don't know how the province could go back. Not very many people would think in terms of a ferry system as being a modern means of transportation these days. In fact I didn't know that we had any in existence in this province up until the last year or so, personally. But you know it's just looked upon as an outmoded system of transport across rivers and streams. But whatever the case is, you know, it has to be justified on the basis of the initial decision that was made which, whether it was political then or not I don't know. Only members that were in office at that time would be able to advise me if it were.

MR. CHAIRMAN: The Honourable Member for Virден.

MR. MCGREGOR: Well I don't like to interfere if they're on that same subject, Mr. Chairman, but if not I'll . . .

MR. CHAIRMAN: I'll put other members on the list, they can speak in turn.

MR. MCGREGOR: All right. Regarding bridges, what are the bridges that are being built now? What is your capacity, say? Are there any going in less than 110,000 pounds? What is the . . . ?

MR. USKIW: They're all being designed to 110,000 pounds.

MR. MCGREGOR: Then what program or have you got a program to upgrade the older bridge, and I'm thinking of the old--(Interjection)--Yes, well I'm thinking of the steel overhead type that I've got some four in my constituency, and many trucks come in with certain types of loads, they've got to bypass, go by rivers. Is there a long-range program that say 10, 20 years from now they'll all be replaced or the top taken off, or does this take an entire new bridge?

MR. USKIW: Well I would think, Mr. Chairman, that if you took the top off you wouldn't have a bridge because that's what holds it together. But, you know, you'd have to have a new bridge with a different design. That's really what the member is suggesting, I would have to assume.

MR. MCGREGOR: Well is there a long range to have these replaced with . . . ?

MR. USKIW: With the Federal-Provincial Agreement where there is an involvement in the process of upgrading up to 110,000 pounds weight capacity, those designated highways have to have the structures eventually upgraded as well. So that is a definite . . . The others I presume are a matter of policy, and the rate at which that happens much beyond the five-year agreement.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. HENDERSON: Well, Mr. Chairman, I'd like to go back to that bridge again, and when you say there's only seven miles between these two places where you can cross the river and you're going to spend over a million dollars, it's estimated a million and likely to run much higher, I just can't see it. Because it's only three and a half miles either way, and I don't think that the government can justify itself on the basis that somebody else took over a provincial program in which this ferry was a part of. I don't think that it necessarily meant that the government would be committed to keep a bridge there continually because times

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(MR. HENDERSON) change, and what's seven miles with cars these days, and the general flow of the traffic in that area is north and south. They're not crossing the river any-way and this bridge could easily be there and only running three and four cars in an hour, because the general traffic is north and south in that area and there's good highways on both sides of the river.

MR. USKIW: Well I'm advised that - well the distance is 15 miles apart.

MR. HENDERSON: Oh it's seven each way?

MR. USKIW: It's seven each way, yes, something like that. It's not three and a half.

MR. HENDERSON: Well never more than seven then, eh?

MR. USKIW: Yes, that's correct.

MR. CHAIRMAN: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Chairman, I'd be interested in returning to the question that I raised as to whether there were traffic counts or traffic studies taken. The Minister says that there was, you know, that there was pressure for this bridge, but who did the pressure come from? Were there traffic counts and traffic studies taken which said that there's got to be a bridge, and there's got to be a million dollar bridge, and there's got to be a million dollars worth of access roads in order to accommodate the traffic? I'll be surprised if that bridge accommodates two cars an hour, very surprised. I would like to know what kind of sort of traffic count was taken. You're talking about an expenditure that could well go into highways and bridge development in other parts of the province, and those other parts of the province must indeed be asking why they can't, you know, have that kind of consideration too. Was there any mathematical or any factual or statistical basis for making the decision, other than the fact that the previous administration, as you have suggested, started to phase out the ferry?

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: Well the Deputy Minister indicates that there are many things beyond traffic counts that go into making a decision. That is only one component of the decision. But in essence it emanates from the fact that the province undertook that responsibility some years ago, and once having done so it's a matter of, shall we say steady progress to this point in time.

MR. SHERMAN: Well you wind up in fact with a bridge that leads from nowhere to nowhere, that's really what it comes down to.

MR. ENNS: That sounds like the Thelma Forbes' bridge, doesn't it?

MR. USKIW: Has Thelma had one of those?

MR. CHAIRMAN: Order please. The Member for Fort Garry.

MR. SHERMAN: Well, Mr. Chairman, continuing on the subject of bridges but perhaps switching from St. Adolphe, which seems to be getting its bridge, to Fort Garry and this area of Winnipeg, neither of which at this point are certain that they are getting theirs, I wonder if the Minister through his Deputy Minister could bring the Committee up to date as to where we stand on the Fort Garry-St. Vital Bridge and on the proposed widening of or improvement of the Osborne Street Bridge.

MR. USKIW: Mr. Chairman, I am advised that the City of Winnipeg is involved in the design works in St. Vital, with financial participation from the province, and that Underwood-McLellan are involved in a study, corridor study, in connection with it. That's the stage it's at at the moment. I can't give any definitive information on the other one.--(Interjection)--Oh, the city has been given the clearance to go ahead with some design work on the Osborne Street Bridge.

MR. SHERMAN: Some design work. Design work that would have to be presumably submitted to the province.

MR. USKIW: Apparently not.

MR. SHERMAN: No?

MR. CHAIRMAN: The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Chairman, I'm interested in the same comparison as to the priorities established to build a bridge at St. Adolphe, and of course we know it's all provincial participation, whereas the much talked about and proposed Fort Garry Bridge is a cost-sharing proposition between the City of Winnipeg and the Province. But I come back to what Mr. Henderson said when he would like to know the traffic counts. It seems to me several years ago a precedent was established, for a long time traffic counts were denied as internal

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(MR. G. JOHNSTON cont'd) information and members couldn't receive it, but eventually this precedent was broken down and traffic counts were produced. I believe it was on one of the highways leading in to Portage, or one of the provincial roads. But in any case there's no lack of precedent for the Minister to produce the traffic counts and for the information of the committee and the public, I would like to have - if they can't be produced tonight - the traffic counts and any other factors like, we've heard that the road traffic was north and south. Well obviously if there's no bridge and a slow ferry, that this was going to have a profound effect on traffic habits and counts. But even taking that into account, I would like to know the traffic counts, the ferry use in the St. Adolphe area, and the estimated usage of the bridge. Now I know this is a projection, maybe the department has it and maybe they don't but if they don't have some sort of a projected use I'm very surprised because it is a sparsely settled area and there's no commercial interconnections there that would lead one to believe that traffic would increase just because there was a bridge there. So I want that traffic count for the St. Adolphe Ferry, Number 1; and also the projections of what traffic would be anticipated with a bridge in place.

Now with respect to the Fort Garry Bridge I am sure if the province is considering cost-sharing on widening of the Osborne Street Bridge, and also cost-sharing on the proposed Fort Garry Bridge, they will have traffic counts there as well, and I would like those figures produced as well.

MR. CHAIRMAN: Before we proceed may I just remind the honourable member that we're in Committee of Supply. If he wishes to refer to another member he should do so by constituency and not by name. The Honourable Minister.

MR. USKIW: Mr. Chairman, on that last point I think we can accept the suggestions of the Member for Portage, and attempt to assemble all the information that we have. With respect to a traffic count on the city bridge that is not obtainable . . .

MR. G. JOHNSTON: No, Pembina Highway because there's no bridge. On Pembina Highway, the traffic count on Pembina Highway. I should have broken it down. I should have said Pembina Highway down Osborne, and also Pembina Highway where it turns off towards - is it the St. Vital Bridge?--(Interjection)--Jubilee, yes.

MR. USKIW: Well in any event what I was going to inform the members was that the City of Winnipeg does the traffic studies and the monitoring. We don't have records within the department, within the city. We take our traffic counts outside the boundaries of Winnipeg only.

MR. G. JOHNSTON: Does the department when they're considering cost sharing on a project do they not obtain the information in this case from the City of Winnipeg?

MR. USKIW: Well I presume that since it's a joint venture that there's some discussion as to the need for the bridge. I don't know how specific they get with respect to traffic flow.

MR. G. JOHNSTON: Well could the Minister be more specific and give the commitment that whatever traffic counts and traffic information the City of Winnipeg has supplied, will he produce that to the committee?

MR. USKIW: I have no objections, providing the City of Winnipeg is prepared to cooperate. There is no reason why I wouldn't want to.

MR. G. JOHNSTON: That's all.

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

MR. GRAHAM: Mr. Chairman, when we're dealing with bridges, I'd like to ask the Minister if the department has made any decision as yet towards the improvement of the provincial bridge west of St. Lazare across the Qu'Appelle Valley? There is a bridge there that at the present time limits weight to single axle trucks only, and in that area there is a large deposit of gravel on the other side of the Qu'Appelle Valley which could be used, I suggest, by the Province of Manitoba in their construction. I realize that it may not be in their program for this year but I would hope that the department might consider it for next year, and I was wondering if they have done anything about it as yet.

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: The assumption is that the weights have been lifted but the Deputy prefers to do a check on that and submit the information later.

MR. GRAHAM: Very good.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, just a general question on the subject matter of bridges.

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(MR. ENNS cont'd) Most of us are aware that last spring as a result of floods a significant amount of pressure was placed on the department in replacing bridges over and above the pressure that's always been on the department in getting bridges up to standard, PR standards generally. My one question to the Minister is: How is the department coping with this problem of replacing many of the bridges that were knocked out as a result of floods of last year. And is the bridge, you know, program in general being brought up to standard? This was a problem that the department inherited at the time that they took over the PR road system to bring a tremendous number of small bridges up to capacity to carry vehicle weights. Truckers, commercial truckers depend on the highway maps the province puts out. They depend on a degree of dependency on the capability of provincial roads once they are so marked to carry certain vehicular traffic, and I can recall even from days past that that was an ongoing problem. I would like to have some indication as to how that program is coming along.

And then, Mr. Minister, I would like to also, you know, it's not often that I have senior members of the Highways Department arrayed in front of me to indicate that, you know, I acknowledge once again that my particular provincial road, No. 518, is the worst provincial road in the Province of Manitoba, the very worst provincial road in the Province of Manitoba. It is singularly noted for never having any maintenance. I should also put on the public record that that particular highway engineer will be transferred to The Pas or Flin Flon or Dauphin, or some other place, if the day should come that we should come back to power. But more specifically the question is about a bridge on road No. 248 which has caused some problem. We're appreciative of the fact that that bridge, which suffered some damage during the high waters last year - I'm speaking now of 248 over the Assiniboine River which was out for quite awhile, caused considerable disruption to the communities of Marquette and the south side of the river. I'm happy that the bridge is now back in operation, but I'm told that there are still some problems there maintenance-wise, big bumps on the approach, something like that. Can the Minister, via his staff, indicate to me that this will be looked at.

MR. USKIW: Mr. Chairman, I just want to make the general observation that the Member for Lakeside is not the only one that has bridge problems. I know that from where I live, I sometimes have to drive 20 some odd miles extra every day because of a flooding of an access to a bridge along the Red River. That is very inconvenient, and we have not had anything done about that now for some 25 or 30 years. We have been waiting a long time, and we've had three different governments in that period of time. Neither of which . . .

MR. ENNS: Including an NDP government.

MR. USKIW: That's right. So that if you feel that your weight isn't being felt here, let me say that I have some problems of my own.

We also have problems with a bridge that is owned by the Government of Canada at Lockport which restricts traffic to only to single axle trucks, and has been that way now for quite a few years. And we haven't been able to do much about that either. So I just wanted you to know this so that you don't feel that you're alone with the bridge problems.

With respect to the specific bridges that were knocked out by spring floods a year ago, three have been replaced, and one is near completion, and one is to be built this year, for a total of five.

With respect to the question of general upgrading, that of course is part of an ongoing program as funds provide. But the policy is to bring about an improvement in the standard of bridge structures throughout the province.

MR. ENNS: Well, Mr. Chairman, just one further point, and I may be stretching the point of order to some extent here now but it's partly because we're operating under a new schedule where our responsibilities are divided between this room and the other room. I choose now to raise a matter that you, sir, could possibly rule out of order because it could properly be brought under the Minister's Salary. But nonetheless it's under the general item of bridge repairs and perhaps you can allow me to make a point.

Before doing so, I would want to express my appreciation to the First Minister and to the Acting Minister of Highways that even in view of the relatively restricted budget the Department of Highways has, they did recognize the tremendous commercial importance of access to Woodlands, the community of Woodlands, and have agreed to repave that community's access road.--(Interjection)--Yes, but that brings me to my point. It is hardly this, and this is the point, the Department of Highways who have the responsibility of maintaining an ever-increasing

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(MR. ENNS cont'd) network of highways and roads in the Province of Manitoba - and it is increasing, and I am the first one to acknowledge the fact that under the last five or six years it has increased tremendously in lieu of the mileage north, the maintenance costs, and the building programs undertaken. Nevertheless it is sliding backwards.

The increase in the highways estimates are some \$3 million which do not really cover the cost of inflation, do not anticipate the cost of increased salary agreements that the government currently has under way and has to agree to. I'm talking about the highway appropriation of 31 to 35, which is barely a \$3 million increase, which is essentially a 10 percent increase. If we accept the fact that--(Interjection)--well 26 to 29 if you want to take the global figures. This is a position, Mr. Chairman, that I took last year in the House. I think we're asking our Department of Highways to undertake a very difficult task, that is to maintain roads in reasonable order, make the necessary improvements and promises of increased, you know, increased demands for new roads, with essentially less money than they had the year before. I think that's something that we should you know, take some cognizance of. If we accept the fact that we're living in a double digit inflationary period of time, and we surely are, if we believe the First Minister's statement to be correct, then a 10 percent increase does not adequately cover the inflationary costs of material alone, never mind the increased salary costs that are to be negotiated.

Now, Mr. Chairman, I know that I'm starting to stretch my licence here but what I want to put on the public record is that the Department of Highways is unfortunately in the priorities of this government one of those departments that is being told we expect you to maintain the roads, we expect you to build new roads, but you really have no new dollars. Quite frankly, Mr.--(Interjection)--Well sure it's a good efficient department, perhaps one of the reasons was that I was Acting Minister there for approximately six months, you know, I'd like to think and,--(Interjection)--No, that's being facetious. But, Mr. Chairman, the fact of the matter is we're also looking at situations where because of the kind of negotiations and talks that are undertaken about railway line abandonment, there is nothing in the presentation of the Minister's initial remarks that the Department of Highways is cognizant of the kind of responsibility it may have to bear if all of a sudden certain number of branch lines are abandoned; there is nothing in the estimates that talks about, you know, a massive boost in terms of transportation via truck that may be necessary for the rural communities of Manitoba if, in fact, some of the plans are proceeded with by the railways of this country. That means that farmers, everyday farmers, have to start trucking amounts of grain in much greater weights than we've heretofore been talking about, and much greater distances. I'm suggesting that the Department of Highways should be much more concerned about getting into some big money, big federal money. Before we give up an inch of railway line, I want the Department of Highways to get 15, 20, 30 million dollar blocks of federal money to replace any abandoned railway lines before farmers are being asked to forego that mode of transportation. If that is indeed the direction.

Now, Mr. Chairman, I'm probably out of order but those are the remarks that I want to put on the record, and I'll leave them at that. Thank you.

MR. CHAIRMAN: I agree with the honourable member that his remarks were out of order but I allowed him to continue in the spirit of co-operation . . .

MR. ENNS: Well, Mr. Chairman, now I'll put the other committee out of order while . . .

MR. USKIW: Well, Mr. Chairman, I would prefer that the Member for Lakeside sit to hear the response because obviously having responsibilities on two committees he's having his difficulties and they're showing. The announcement that was made today with respect to the highway's program was \$59 million, not 29. And I can appreciate the fact that the Member for Lakeside perhaps isn't able to cope with two committees at the same time.

MR. ENNS: Let's be accurate. We're talking 32 to 35 million dollars. That's what we're talking about.

MR. USKIW: No, no, we're talking about . . .

MR. CHAIRMAN: Order please. The Honourable Minister.

MR. USKIW: Mr. Chairman, we're talking about the item Construction of Provincial Trunk Highways, Provincial Roads and Related Projects, which you are out of order on but since the Chairman agreed that you should proceed, then I want to rebut. And that is that the total package is \$59 million, which is \$11 million more than last year, and which has been partly approved in capital estimates last year and for which we'll be asking about another 8

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(MR. USKIW cont'd) million dollars of capital this year. So this is not the total picture, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Ste. Rose.

MR. ADAM: Thank you, Mr. Chairman. Have a few questions - we're on the bridges. I'm just wondering if there has been a change in the criteria for the inspection of bridges, in view of what has happened over the last year. That is one of my questions. I would like to know also . . . the Member for Lakeside did touch upon the problems we had in the spring of 1974 with the high levels of flooding. I would like to know how many bridges we've lost or have to replace, and if we have changed our criteria of inspection, how many bridges are condemned?

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: Well, Mr. Chairman, with respect to the first question, I'm advised that the department has a new technique with respect to testing the stability of bridges - it's not new but newly used here I presume - and that is known as the Swedish bore which in essence is a method which would test the inner core of the wood pilings of a bridge, other than the previous system, which was simply a visual check of the structure. So that change has been put into effect. Now I can't recall the second question, sir.

MR. ADAM: Well, the second one was, how many bridges, because of this new technique, or new criteria for inspection, how many bridges you've had to condemn?

MR. USKIW: None to date, Mr. Chairman.

MR. ADAM: How many are out because of flooding then that have to be rebuilt?

MR. USKIW: I had dealt with that question, Mr. Chairman.

MR. ADAM: I have three in my constituency that I can think of just off the top of my head.

MR. USKIW: That have not been rebuilt, Mr. Chairman?

MR. ADAM: Yes. Two out of flooding and one because of it being condemned, that I can think of just at the moment. I was just wondering . . .

MR. USKIW: The deputy advises that that hasn't reached their office; it could be a district problem but they have not been advised.

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

MR. GRAHAM: Thank you, Mr. Chairman. I want to . . . first of all I don't know whether this comes under this department or whether it comes under Northern Affairs. But there are six or seven bridges built on the Hole River-Ste. Therese winter road. Were they build by the Department of Highways?

MR. USKIW: No.

MR. GRAHAM: They didn't come out of the appropriation of the Highway Department? So that any questions then . . . They've never been tested by the department or your bridge department at all? Okay, I'll wait until we hit the other.

MR. CHAIRMAN: (Resolution 62 (d)(1) to (e)(3) read and passed). Resolution 62 (f)(1). The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Chairman, on the issue of District Offices I want to be a little parochial here now and ask the Minister if an appointment has been made for the resident engineer in the Birtle sub-district office?

MR. USKIW: No, I'm advised, Mr. Chairman.

MR. GRAHAM: Have we any, or can we get any indication when that appointment will be made?

MR. USKIW: I presume it's a recruitment problem and as soon as that position can be filled it will be filled.

MR. CHAIRMAN: The Honourable Member for Virden.

MR. MCGREGOR: Yes, Mr. Chairman. Is it possible to have maps drawn of the district boundaries. I tentatively know but sometimes I'm called out on a particular road, and I'm not sure as I'm standing talking to the people, is this Birtle, is this Minnedosa, is it Virden district. Is there such maps available of the boundaries of each district engineer?

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: Yes they are available, Mr. Chairman.

MR. MCGREGOR: Could we have some to go around the members here. On short notice could they be made available, or is it just a very limited supply?

MR. USKIW: We would have to have a print-out done but we could get them for you. If that's the wish of the committee I have no objection.

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MR. MCGREGOR: Well, for the members of the future sitting you know, I would appreciate one myself.

MR. USKIW: Perhaps we could take that as notice for next year, Mr. Chairman. Would that be adequate?

MR. MCGREGOR: Providing they get one for me for this year, and let the rest of them wait for next year.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. HENDERSON: I would like to ask where we have district offices like at . . . we used to have them at Morden and now we have them at Carman. Do the employees who were at Morden get mileage for their cars as they go up to work at Carman each day?

MR. USKIW: No, Mr. Chairman.

MR. HENDERSON: There's no mileage allowance at all?

MR. CHAIRMAN: (Resolution 62 (f)(1) to (g)(1) read and passed). (g)(2)--The Honourable Member for Souris-Killarney.

MR. MCKELLAR: I was just wondering, is it necessary to have as many service roads on that road between the junction of 1 and 4, it's all the way to MacGregor and all the way to Brandon. It seems to be an enormous size of a road, is it . . . The farmers have to use the service road in all cases I guess, do they, or is that the reason for the service roads?

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: That's one of the reasons I am advised, Mr. Chairman.

MR. MCKELLAR: And that's the only access they have. They can't get on the main thoroughfare unless they use the service roads, eh?

MR. USKIW: Well I think that where you have . . . You're talking about a four-lane highway?

MR. MCKELLAR: That's right, yes.

MR. USKIW: Wherever you have four-lane highways, the standard is that you don't permit access direct onto a highway, but you have access outlets, and I think that makes sense, quite frankly . . .

MR. MCKELLAR: Is it the intention to build a service road then all the way, straight through Brandon right through to the junction of 1 and 4?

MR. USKIW: Wherever there is deemed to be a need for access or for service roads, yes.

MR. MCKELLAR: I see.

MR. CHAIRMAN: Resolution 62. The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Chairman, I've always been somewhat curious about some of the programs that go on with respect to concrete roads, and I think almost every year since I've been a member we find crews working on the concrete on Trans-Canada Highway where they go out with saws and they cut through the concrete and then they pack it with oakum and . . . Could we just have an explanation of why this is done?

MR. USKIW: Would you want to take that on directly?

MR. JOE BRAKO (Deputy Minister of Highways): Primarily it's cutting out sections of concrete which may have failed in some way or another. A lot of it is taking out the oil joint sealer and putting back a new seal. The reason for this is to keep water from getting in between the concrete slabs and underneath them, and freezing, and causing them to heave or deteriorate. These are the main reasons.

MR. GRAHAM: At the same time, has this program been fairly successful? I notice when you're driving at night in particular large trucks, you see the headlights bouncing and flashing in your eyes continually on the concrete roads, so it doesn't seem to indicate that the road is exactly smooth anyway.

MR. BRAKO: Well, this is the nature of concrete. It settles in the sections as they are cut. We have looked at the possibility of using continuous concrete pourers, which requires heavier reinforcing, and the cost is rather prohibitive.

MR. GRAHAM: Could the Minister indicate just what the cost differential would be, or are there some other alternatives to a final seal on a concrete road which would give it a reasonable degree of smoothness.

MR. BRAKO: Well, at the present time concrete roughly costs twice as much as asphalt surfacing. If we went to a continuous concrete pourer without any construction joints, it would

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(MR. BRAKO cont'd) be considerably more, and I wouldn't want to hazard a guess as to how much more because you'd have to use heavier reinforcing steel, which is also expensive nowadays, and more of it. As far as an overlay, this is about the only method that we use at the present time to try to take out the undulations, but here again I would expect - and this has been found to happen - that you still get differential settlement of your slabs and eventually will have to put another overlay on to take the undulations out, this is just the nature of the concrete.

MR. GRAHAM: What is the nature of that overlay? Is that a bituminous . . .

MR. BRAKO: That's a bituminous overlay, that's just a recap.

MR. CHAIRMAN: Resolution 62 (g)(2)--passed; (g)--passed. Resolution 62(h)--passed; Resolution 62(j)(1)--

MR. McKELLAR: Mr. Chairman, what's involved in this? Is this a count, somebody counting cars, or what's the purpose of this?

MR. USKIW: No, the responsibility is traffic control on highways, including signs, pavement marking, and traffic signals, street lighting requirements, and things of that nature.

MR. McKELLAR: I see.

MR. USKIW: The Litter Control program is involved in that one as well. Traffic control and parking to cities, towns and municipalities - expertise that is provided in that connection as well.

MR. McKELLAR: Is this signal lights like in some communities where the highways go through, eh? Like Morris, the Town of Morris?

MR. USKIW: Yes.

MR. McKELLAR: I see. Just one other question on that. Do the Federal Government contribute to signal lights on highways?

MR. USKIW: Just at railway crossings.

MR. McKELLAR: Railroad crossings. Oh, I see. What portion do they contribute? Is it 50 percent?

MR. USKIW: We would have to get that information for you.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. McGILL: Mr. Chairman, I'd like to refer to the Minister an application that was submitted in February from the Municipality of Whitehead which relates to their request for a traffic light on Trans-Canada No. 1, that is at the junction of the access road for Alexander and Trans-Canada No. 1. There is I think - well I'm reasonably familiar with the amount of traffic between that community and Brandon, and the amount of morning and evening traffic that's developing in that area. The municipality is concerned about the safety problems that relate to this particular access road. They have requested the department to consider the installation of a traffic light at that junction. I'm wondering if the Minister can indicate whether or not some traffic readings have been obtained from that area, and whether in the opinion of the department there is some justification for consideration of a traffic control light.

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: Mr. Chairman, I'm advised that there are several locations on the Trans-Canada in Manitoba where the department is doing studies of that nature in order to determine whether or not expenditures would be warranted, that being one of those. But they are not in a position to be definitive at this point in time.

MR. McGILL: I'd like to mention in that connection, Mr. Chairman, that there is some special circumstance surrounding this particular area in that there is a section of the highway involving an S curve just east of Alexander that involves not only an S curve but a change in elevation that provides some restricted visibility in that area. I was wondering if until that area is modernized and brought up to standards, whether or not there would be some special consideration of some traffic control in that position.

MR. USKIW: I'm advised that that is now under investigation by the traffic control people. It's all part of the package.

MR. McGILL: I see. The municipality will then be advised in due course as to whether or not the traffic warrants it and the particular circumstances.

MR. USKIW: Yes, that's correct.

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

MR. GRAHAM: To you, Mr. Chairman. I was just wondering, in this amount of money,

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(MR. GRAHAM cont'd) just how much of this money is allocated to try and solve the bird's nest that exists at the junction of 83 and the Yellowhead in the Russell area, where they've got lighting, they've got traffic lights, and they've got markers and warning posts, and people still get lost and confused.

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: The department is really not in a position to give much comment on that point, Mr. Chairman. They know it's a problem but they haven't come up with anything.

MR. CHAIRMAN: The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Yes, Mr. Chairman. I'd like to ask either the acting Minister or Mr. Brako about the request by the City of Portage for an overpass. I think it's Provincial Road 240 that leads to the Canadian Forces Base, Portage la Prairie. To give a little background, when Mr. Weir was the Minister of Highways, I was able to make a little bit of progress there where at one time there was no speed zone at all, and we had a speed zone put in and that reduced the accidents. Every year there was quite a number of fatals, as well as bad accidents with suffering and damage, and so on. Now more progress has been made to three or four years ago - I think it was when Mr. Borowski was the Minister - we now have a traffic light, and I'm the first to admit that it's fairly satisfactory, it's one of the few traffic lights on the Trans-Canada Highway I believe. So that progress has been made.

But I come back to the point that when Mr. Weir was the Minister of Highways, he made a commitment, although I can't produce it in writing, but he made it to a delegation from the Portage and district and the airport, that if the Canadian Forces Base was to be a permanent establishment, then consideration would be given to establishing an overpass at that point that Provincial Road 240 crosses the bypass at Portage la Prairie. And I would like to know if there's anything active being pursued in this regard. I believe that a delegation from the City of Portage has met with some people in the department pursuing this matter and I don't think they received an answer. Could the Minister or the Deputy Minister tell me at what stage this request is at.

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: Mr. Chairman, the department is sympathetic to that request. They have been doing a study and are of the opinion that if it wasn't warranted, it's very close to being warranted based on their findings, but ultimately the problem is the priorities. And the sort of pattern of development of overpasses and interchanges is that we try to put up or build one per year, and we are building one this year elsewhere, the Roblin Boulevard interchange. So that it's a matter of the batting order on that particular one as I gather. So it's on the list but, you know, it's a matter of when it's to be prioritized.

MR. G. JOHNSTON: Well, I appreciate the answer, but I remind the Minister that when the Canadian Forces Base at Portage became a permanent establishment, and the condition was met in the minds of the people affected in the Portage area, they thought that they were now receiving, or at least being placed in the priority list. Can you tell me where in the priority list for an overpass the proposal of the overpass on 240 is?

MR. USKIW: Well, I think, Mr. Chairman, it's too difficult to be that specific. We have many requests from various people in Manitoba throughout the province, that is, as a whole, and the government tries to develop a program based on the representations and indeed the studies that are carried on. All of these factors have to be taken into account and prioritized into a year's program. Obviously that particular overpass was not one that was put forward for this year, but I did indicate a moment ago, and I believe that to be true, that it is an area that is receiving attention and the department seems to be of the opinion that that is a warranted facility, and it'll just have to wait till its batting order comes up to the top.

Now, you know, presumably what I am saying is that every time we process the budget to budget review that a decision will have to be made, and perhaps if there's any need for further representation, or whatever - the next round of budget review is next year starting about August some time - we will take those points under advisement again. All of these come up every year. If they're excluded one year they're repeated the next. I'm not in a position to indicate what the decision would be, obviously. It would be presumptuous to do that.

MR. G. JOHNSTON: I wonder if I could make a response to the answer by the Minister, which is reasonable I must admit. But people who are affected, especially ones who have been in the accidents, or have lost members of families in the accidents I'm talking about, and as

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(MR. G. JOHNSTON cont'd) the department well knows this has been a trouble spot for many years, I would think that there's a place for - and I don't mean this in a disrespectful way - but I believe there's a place for honest answers to delegations. For example, if a priority is an overpass at St. Anne's Road or St. Mary's Road before an overpass on the Trans Canada between Canadian Forces Base and Portage la Prairie, then they should be told this, because every time that these delegations appear and go home they have to answer to people who elected them or sent them. I think that the department has an obligation to say that your priority is third or fourth or first or second. In other words, I don't think politically you lose any marks by telling it the way it is, but to leave people hanging year after year hoping, well maybe next year they'll be considered, I don't think that's a way to handle a question on the matter of highways, bridges, overpasses, and so on. Whether we're Conservative, Liberal or NDP, there's no philosophy on transportation, I think, because everybody wants as much for the dollar as the taxpayer can afford to put into a department. I think people who have concerns in their area would appreciate honest straightforward answers, that your priority is . . . Regardless of whether it's a government constituency or an opposition constituency, if it was spelled out, if it was spelled out to the people they would understand this; but they don't understand when they're led to believe, to keep hopeful, to wait your turn, and perhaps next year - I don't like that approach at all.

MR. USKIW: Well, Mr. Chairman, I appreciate the point that the Member for Portage is making, but I also have to outline to him the problems that we must face, namely, that while we have \$60 million in capital projects this year, you know, if we were to respond to all of the demands of people in every community of Manitoba we'd need about 260 million. That is the kind of pressure - and I'm ball parking a figure, I don't know if I'm far out or not - but that's the kind of pressure that the department is under and the government is under at all times. Now if we fell into the trap of saying, "Yes next year you will get a million dollars in your area or two million," you virtually are giving advance notice of expenditures which in essence becomes a violation of privilege of the Assembly, because we really can't commit ourselves that definitively. We have to have that expenditure approved by the Legislature. You know, you can give tentative indication but I think you can't give them a definite answer until you're ready.

MR. G. JOHNSTON: Well, I have to answer that. For example, if the traffic count at Ste. Anne's Road is 300 cars per hour during rush hour, and the rest of the time it's 50 cars an hour on the 24-hour basis, and you can show those figures and say, well that is a priority; but one that has a traffic count of 100 cars an hour in the rush hour and 10 cars an hour after that, must wait its turn, and people would understand that. But they don't understand when they're given a little bit of hope and they come away and they try again next year. Why doesn't the department establish a policy where they say, "Look here are our trouble spots that we must correct as soon as our budget will allow it," and I'm sure people will understand that.

MR. USKIW: Well, I can't quarrel with the suggestion that the member is making, other than the observation that I made in response. I believe that all of those points are taken into account and the recommendations of the department are in keeping with that philosophy. However that is, you know, far from giving advance indication that a certain project will be undertaken, and we don't think that we should operate in that way, in that definitive a manner. But I appreciate the point that is being made.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, again on the subject of traffic control systems, I want to discuss now the problem at the corner of First Street and Richmond Avenue in the City of Brandon. I think this is an area in which there is some provincial responsibility as well as civic. The problem just briefly is that the construction of a large regional vocational high school in that area suddenly made this intersection a very difficult one. Now I believe that some representations have been made to the department by the city, and I further understand that there's some difficulty in equipment availability for this intersection. I wonder if the Minister could bring me up to date on just where this problem now stands. I think that there's a rather urgent need for some sort of traffic control at this intersection, and I'd like to know how soon this is likely to be undertaken.

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: Mr. Chairman, I want to just take a moment to make a point with respect

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(MR. USKIW cont'd) to the last question put to me by the Member for Portage, I omitted to indicate to him that the department is intending to install the new flashing traffic signal at that intersection, which will give greater warning to the people driving through that area before a light change. So that hopefully that will improve somewhat in the interim the situation of that intersection.

To get to the point raised by the Member for Brandon West I am told that a study has been carried out, a report has been presented, but that it will likely take about a year to act on it in that companies have to have that much notice in the provision of material, and so on. So that it's about a year away if the decision on the report is a positive one, whatever action is going to be taken there.

MR. MCGILL: Are there any alternative or temporary systems that could take care of the problem at that intersection?

MR. USKIW: The obvious of course is the usual school patrol system that would have to suffice until a proper device is installed.

MR. MCGILL: But the situation at the moment is that because of material shortages there will be a delay of at least one year, you say?

MR. USKIW: I am told there is a need for one year's lead time after a decision is made to proceed.

MR. MCGILL: Has a decision been made to proceed in this . . . ?

MR. USKIW: No, the report has been received and the decision is going to be made soon, after which it will take about a year.

MR. MCGILL: Is this a responsibility that's 100 percent provincial or is there sharing in this area?

MR. USKIW: It's 100 percent provincial.

MR. MCGILL: Thank you.

MR. CHAIRMAN: Resolution 62 (j)(1)--passed; (2)--passed; (j)--passed. Resolution 62(k)--The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Chairman, I see we have a fairly significant increase in highway traffic inspection budget. I was wondering if the department is changing their policy on highway traffic inspection, and what projections they have for regular traffic inspection stations rather than the present approach of just pulling a truck onto the shoulder of the road to inspect him. I say that, sir, because I believe that the present system of just pulling a truck onto the shoulder of the road and using a portable scale, or if they have no portable scale using some other means, I think it's a traffic hazard; I think it could do damage to the shoulders of the highway as well. I was wondering if the department has any plans for having regular traffic inspection places built to pull the trucks off the road where they can properly inspect them rather than just doing it on the side of the road and causing some traffic problems.

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: Well, Mr. Chairman, the figures indicate a small incremental increase in expenditures. It certainly does not indicate any expansion of programs. The increases relate only to salaries and salary increments, as well as general cost increases. No new programming whatever. There is nothing anticipated for this year.

MR. GRAHAM: What is their long range plans in this respect then, or are they just going to carry on in the present haphazard manner?

MR. USKIW: The department advises that they haven't run into any serious difficulties with the present system and consequently have not developed long-range planning in that respect although they foresee that it may be necessary at some point in time, especially with the 110,000 pound loads.

MR. GRAHAM: I have another question too. I believe in some instances when they are doing weight inspections, particularly when restrictions are on the road, and I believe the department has a shortage of portable scales; I know in the past they have used other facilities wherever possible such as the town scale in Portage, I know they have put trucks over that. Does the department pay the owner of those scales any fee for the use of those scales, or just what is the program in that respect?

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: Yes, they have arrangements with some people for payment for services rendered.

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MR. GRAHAM: If for instance - I know in the past they have on occasion used grain elevator scales too. Has the department in those cases considered and paid for damage occurring to town and village streets, or maybe to the approaches of the elevator, or any damage that does occur, is the department fully responsible for that damage?

MR. USKIW: Well the department does have a what they call grant and aid program to cities and towns, and so on, so that they are participating in some of the cost of building and maintenance of streets but it has to be taken in a general way I would assume. It may not relate particularly to a route that you may be alluding to, that the Member for Birtle-Russell may be alluding to.

MR. GRAHAM: The reason I raised the question, Mr. Minister is I know of cases where the operators of elevators have flatly refused to allow the department to do this because of their concern about what might happen within the premises of that particular elevator, and a lack of a guarantee that the department would be fully responsible for all damages.

MR. USKIW: Yes. The department is not aware of any particular complaint in that respect, but at the same time recognize the possibility of some reluctance on the part of elevator operators allowing these large or heavy loads into their systems, and would not want to insist on their use if there was some opposition.

MR. GRAHAM: I just raise it, sir, because I believe if the department wants to use those facilities, if it's for only a short period of time, I think they should give complete guarantee that they would be responsible for any damages. I think if that was spelled out loud and clear they would get a lot more co-operation from the various concerns.

MR. CHAIRMAN: Resolution 62(k)(1)--passed; (2)--The Honourable Member for Virден.

MR. MCGREGOR: Mr. Chairman, I see in No. 2 there's over a 50 percent increase. What might this be covering?

MR. USKIW: In the Other Expenditures, Mr. Chairman?

MR. MCGREGOR: Yes.

MR. USKIW: The increase is due to general rise in cost of supplies, services, general rise in expenses.

MR. CHAIRMAN: Resolution 62(k)(2)--The Honourable Member for Fort Garry.

MR. SHERMAN: No. I'm waiting for 63, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. HENDERSON: Just before you pass that I'd just like to make a remark there that I wish - and I hope that highway traffic inspectors use a little bit of judgment when people are hauling loads that can't be divided, like if they're hauling another tractor or something which has got a set weight where it's maybe only five or six hundred pounds over, and I presume, or at least I hope they do, because you know farmers when they load their trucks can't exactly load them to within a bushel or two or even 25 or 40 bushels. I hope that they aren't, shall we say, trying to live up to the last letter of the law in connection with it because I think that's foolishness.

MR. CHAIRMAN: Resolution 62(k)(2)--passed; (k)--passed. Resolved that there be granted to Her Majesty a sum not exceeding \$7,072,200 for Highways--passed. Resolution 63--The Honourable Member for Fort Garry.

MR. SHERMAN: I'll defer to the Honourable Member for Virден if he wants to go first. Go ahead and I'll . . .

MR. MCGREGOR: Mr. Chairman, this is a tremendously large figure here and is there any way of having a better breakdown than the three classifications we have here? To sort of know a little more of just where we're going. Is that possible?

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: Well, Mr. Chairman, I'm not sure that I can comment on that. That is the way in which the estimates are broken down. I suppose you can get down to the finest detail. That would be perhaps opting for the other method of presenting the estimates. That's really what the Member for Virден is suggesting. You know, this is not one department that has been prepared to do that for this year.

A MEMBER: For \$29 million we get this, for \$35 million we get nothing.

MR. MCGREGOR: Just in comparison of the two you know it does seem a huge thing for us to try and differentiate what 19 million, you know . . .

MR. USKIW: Well it's a big . . . Mr. Chairman, the maintenance program does involve

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(MR. USKIW cont'd) large sums of money, and that is one program. So you know the large figure should not stagger the imagination. We have a lot of highways to maintain.

MR. MCGREGOR: Okay, Bud.

MR. CHAIRMAN: The Honourable Member for Fort Garry.

MR. SHERMAN: Thank you, Mr. Chairman. I'd like to ask the Minister about the Sign Shop, the Provincial Highways Department Sign Shop, and whether it's correct that the shop is being moved from Winnipeg to Dauphin at a cost of \$900,000, and that a number of personnel now are being transferred to Dauphin because of that situation.

MR. USKIW: Because of what situation?

MR. SHERMAN: Well because of the move of the Sign Shop and the facilities for manufacture of the signs, that some personnel are necessarily being transferred from Winnipeg to Dauphin too.

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: Well, Mr. Chairman, I think the Member for Fort Garry should be aware that that is part of the rural stay-option policy and the decentralization of some of the activities of various departments and I think if there is any criticism to be made it can be applied against a number of departments. For example, Agriculture is moving Crop Insurance to Portage as soon as we have a building put up in Portage. That's part of the policy of government. If one wants to attack that policy, I am prepared to debate on that level.

A MEMBER: Morden Fine Foods at Morden.

MR. SHERMAN: Well I don't want to attack that policy but I just wonder why Agriculture is moving part of its operation to Portage. The Member for Portage is a member of the Opposition.

MR. USKIW: Well I think, Mr. Chairman, that one has to observe the fact that the City of Brandon has a member on the opposition side and a member on the government side, and I don't think that one could put the argument that the government has been discriminating as to the activities in Brandon depending on which side the member is on or the location. I think Brandon generally has been treated very generously in the last five or six years, which was long overdue in our opinion. It's a matter of a second-city philosophy for Manitoba. So I wouldn't think that we should want to get into that kind of debate, because I think that would cast a very negative eye on the process of government responsibility of expenditures of money.

MR. SHERMAN: Well, Mr. Chairman, I think if it can be argued and kept on the level of a second city and third city philosophy for Manitoba, then that's entirely acceptable to me. I would certainly like the strong assurances, and the double reassurances, and possibly a triple reassurance of the Minister that in this case that this is what is being pursued. I take it that the answer to my original question is yes, that the Sign Shop is being moved from Winnipeg to Dauphin at a cost of \$900,000 and that four men, or some men are being transferred, and my understanding is that 60 percent of the signs that are manufactured by the department are used in the Winnipeg area and as a consequence of the move the materials for making the signs are going to have to be transferred to Dauphin, and then the signs have to be shipped back to Winnipeg . . .

A MEMBER: Wait till we change to metric.

MR. SHERMAN: And then the three cent a gallon gasoline tax has to be imposed on every one of those miles that the trucks taking the signs back to Winnipeg travel. However I am perfectly willing to accept the argument and the undertaking from the Minister and from the government that this is being done to advance the two-city, three-city philosophy, because I'm in favour of that myself and I have argued, and I'm on the record as arguing, that one of the biggest handicaps economically hobbling Manitoba is the fact that it's a one-market economy. But I would just like to have the Minister tell me once more that this is why it's being done and not because the Dauphin area happens to, you know, happens to enjoy a particular kind of representation in the Legislature.

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: Well I think one should review in that context a number of decisions that have been made. I think one has to recall that we have decentralized three or four departments in particular, which has in fact resulted in the building and relocating of people from the City of Winnipeg to the countryside, and that we have looked upon towns like Selkirk, towns like Beausejour, towns like Portage la Prairie, Arborg, for example, Brandon, Dauphin, as the

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(MR. USKIW cont'd) key centers to which it would seem advisable to locate some of our services and some of the functions. It's part of an overall plan, and I think that is really the basis on which we should promote the further economic viability of the rural regions. We have designated in Manitoba several economic regional systems and hopefully we are responding to them, at least in some measure through government activity, to keep their regions economically viable. I don't think we should apologize for that.

MR. SHERMAN: Well as I said, Mr. Chairman, I would like to believe that that's why it's being done, and I'm prepared in the interests of co-operation and moving the committee along to accept the Minister's explanation. I hope that when it becomes necessary for certain things to be done in certain other constituencies, including the Constituency of Fort Garry, to advance the two-city, three-city philosophy, that he will be, and his Deputy and his staff will be as strongly committed to that position as they appear to be with respect to the Highways Department Sign Shop.

MR. USKIW: I think, Mr. Chairman, if the Crop Insurance Corporation was put in Dauphin, and the sign shop in Portage that I wouldn't have the argument that I'm now having with the Member for Fort Garry. But in essence, that is the way in which government is trying to respond to the regional needs, the economic needs of the province. So that we make no apologies for that.

MR. SHERMAN: I thank the Minister for that information, Mr. Chairman.

I'd like to ask another question regarding the kinds of regiment and schedule that's laid down for Highways' work crews, both in summertime and in the wintertime. It's my understanding that the schedules which they are instructed to pursue and follow are pretty rigid and pretty inflexible to the point of absurdity in some instances. For example, I would like to know whether it's true that there is a directive that the lunch hour for Highways' crews, Highways' maintenance crews, must be 12 p.m. to 1 p.m., regardless of the winter conditions or regardless of the summer conditions. And this kind of thing, you know, seems to me to be totally illogical, you know, in the light of the meteorological environment that we have in this province. Is it correct that the schedule for these work crews is laid down that rigidly?

MR. BRAKO: The work schedule is fairly rigid, primarily at the request of the majority of the people doing that type of work. I think the reference is to some of our patrol operators who feel that they could have a half an hour for lunch and quit half an hour early in the evening. This was laid down by the Minister, and he has left it open for further discussions if they so desire. But he found out that after considering the original request there were more complaints from the other members of the maintenance crews that wanted it back to the original setting.

MR. SHERMAN: Well, Mr. Chairman, could I ask the Deputy Minister, or the Minister, whether there has been a significant number of complaints from operators, for example, of frontend loaders and plows, and other snow-clearing equipment in the wintertime who are limited to limited hours of daylight of course, and limited hours of relative warmth - and I use the term loosely - who have a certain job to do and who could pursue it, for example, between 12 noon and 1 p.m., but are forced to remain idle during that hour in oftentimes cold, unheated cabs in their equipment, and then get back to work at 1:00 o'clock when they then have only perhaps two hours, or two and a half hours of daylight at best to complete their job. This is the kind of complaint that has come to me, and I'm not presuming to suggest that this is the preponderant opinion, but it is the kind of complaint that has come to me, and I wonder what the Minister or the Deputy Minister would be able to say with respect to the, you know, the consensus among the crews.

MR. CHAIRMAN: Mr. Brako.

MR. BRAKO: I have certainly not heard any of these complaints dealing with the snow-plow operators and operators in the wintertime. To the best of my knowledge they don't plow unless they have to plow, and once they have to plow I haven't seen any instructions which says they have to take an hour off for lunch or even having to stop at 4:30. As I say, when you have to plow it's usually an emergency situation.

Now if you're talking about a clean-up operation where - it's different than an emergency - they also to my knowledge have not been given instruction that they take an hour off for lunch. So I'll look into these complaints, or into this matter and just see where the trouble stems from because, as I say, to my knowledge they have not complained to me nor have I received any complaints.

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MR. SHERMAN: Well, if the Deputy Minister would look into that, Mr. Chairman, I'd appreciate it, because I have had complaints and they don't pertain to emergency conditions. They have pertained to regular clean-up assignments on the highway, and I have been advised, whether it's correct or not, I've been advised that the directives do say that they shall stop and take their lunch hour at a certain time, and it shall extend for that full period of time, and those who have ignored that directive have found themselves, you know, being confronted and being criticized for it by their superiors, and being told not to do it again. It seems to me that in a, you know, bitterly cold winter day that that is a condition that should be more flexible than that. That's a condition of work that should be somewhat flexible. So if the Deputy Minister will look into that I'd appreciate it.

MR. CHAIRMAN: Resolution 63. The Honourable Member for Arthur.

MR. WATT: Mr. Chairman, when the division was set up originally by authority of the rural, or the municipalities in the province, and the provincial roads were established, they were established at that time under the then Minister of Highways, Walter Weir, and the provisions in the set-up between the municipalities and the province was that certain roads would be taken over by the province, we would do away with grants. The provision at that time was that the provincial roads would be directed, which they are, and the signs were up and they were directed as provincial roads to carrying heavy traffic, that they would be maintained one and a half times per week depending on the weather.

Now, the Minister of Highways, when the government changed, was Joe Borowski, and that formula was changed, it was cut in half, the maintenance was cut in half, and my understanding was, and is now, that it was set up by a computer system and it has nothing to do with the weather, it's simply set up by a computer system that says that the roads would be . . . the grading and the upgrading of the roads would be cut in half. As far as I can understand this is now the situation still. Consequently the heavy traffic now is going over municipal roads rather than the provincial roads because the provincial are, as the President of the Rural Municipalities made a statement at Rivers two years ago, that the provincial roads were not fit to put a half-ton truck over, that all the traffic was being directed onto municipal roads.

Now, I want an answer from the Minister.

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: Mr. Chairman, I recall this same debate in the House I guess over the last two years. This is probably the third time that the Member for Arthur is raising the same question. And I'm to presume that . . .

MR. CHAIRMAN: Order please.

MR. WATT: It's not myself that has been raising the question, it's the Union of Municipalities, and I've read that into the record, by resolution.

MR. USKIW: I have to assume that the member was not here when I introduced the estimates this afternoon . . .

MR. WATT: No.

MR. USKIW: . . . wherein I made special reference to the expenditures of money for maintenance in the constituency of Arthur, and it's because of the representations of the Member for Arthur that we broke down the expenditures into a constituency area, to reflect his boundaries, which indicate that we have more than doubled - or is it tripled the expenditures? - it's more than double the expenditures that were previously carried on on those same roads annually, so that there is no way in which the Member for Arthur can attempt to convince me that there's been a net reduction of maintenance services. The dollars that are spent in his riding are more than double what they were.

MR. CHAIRMAN: Resolution 63(a)-The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Chairman, I want to follow on a little bit on the remarks of the Member for Arthur and deal with the present maintenance program that exists. I'd like to ask what flexibility in that program, and what degree of decision-making now rests with the local district office? And I say this because there are many many times - I'm not arguing about a computer program - but there are many factors which will determine a change in maintenance programs, it may be continuous wet weather, or maybe a gravel contractor moving into a particular area and using a sudden increase in the amount of traffic on a road, and I just wonder what degree of flexibility in the computerized program exists today.

MR. CHAIRMAN: Mr. Brako.

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MR. BRAKO: There is still the same discretion on flexibility on the part of the district offices as there was previously, subject of course to the limitations of the budgeted amount that has been given to that district. Now, if conditions exist which are more severe than was anticipated, then of course the district has to request additional funds, and this is judged on by the Minister.

MR. CHAIRMAN: Resolution 63 - The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Chairman, I want to get back to a little pet fetish of mine that I think I raised last year, or maybe the year before, and it's very insignificant but it deals with maintenance of our provincial trunk highway system, particularly during the summer holiday season, and this is dealing with the removal of dead animals from the highways. We know we have a problem that there's skunks, and there's porcupines, and tom cats, and I don't know what-all, get run over. At the same time, we have a fairly regimented system existing in our highways department, and a fellow that's sent out to fix signs, that's his job, to fix signs. There is another crew that has that responsibility. And to me it seems rather foolish to have maybe 30 or 40 employees in one office, and maybe only three or four of them authorized to remove these dead animals. I would sooner see maybe an incentive system set up where, whoever the man is in the department he gets a dollar or fifty cents, or whatever it is, for every skunk he takes off the road. I think that that way we would get our highways cleaned up a lot faster, and it would make it a much nicer province for tourists to drive through in the summer months. And I'm sure the Minister, the Deputy Minister, and every man in this room, has on occasion driven down our highways and been confronted with these dead porcupines and dead skunks on the road, and some of them have been left there for 24 hours, 48 hours, and even longer in some cases. I know on the weekends I don't think that--(Interjection)--I forgot the rabbits - - I think it's just a small thing but it's little things that count in the tourist industry and it makes everybody have a different attitude. After all our Highways Department is the most visible arm of government to the population of the province. A little thing like this can make a tremendous difference in the attitude of the public.

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: Mr. Chairman, I can appreciate the point that is being made. However, I'm being advised here that there is no special crew that is responsible for that particular duty.

MR. GRAHAM: Maybe that's our problem.

MR. USKIW: . . . that the maintenance crew generally speaking that has that responsibility. So that it isn't a matter of over-staffing, or it isn't a matter of people involved in maintenance not wishing to undertake those responsibilities.

I think that one could probably make the observation that that is not the only area of difficulty and the only area of problem presented to the Highways Department in the area maintenance, in that one can observe very quickly the abuse of the use of disposal containers along the highway system, where people are not only disposing of garbage, for example . . .

MR. GRAHAM: Mattresses, bed springs.

MR. USKIW: That's right. There are all sorts of things that are brought in from the junk yard back home in the hope that the Highways Department maintenance crew would clean these things up for them. And, you know, this is a problem that the maintenance people have had to contend with, along with the skunks and the rabbits, and so on. So the department is fully aware of that and for that reason the entire maintenance crew is responsible to carry out that job.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. HENDERSON: Mr. Chairman, we appreciate all the road signs and markers there are on the roads, but I was just wondering with the metric system coming in, will there be a slowing off on your program of putting miles to the next place, and how long will it be before the metric system comes in on the highways?

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: Yes. The intent is that there will likely be a dual system, the existing plus the metric, but not on a wholesale basis, as new signs are required on a very gradual basis, so that we don't entail too much expenditure in the transition.

MR. HENDERSON: When do you expect this dual system to start?

MR. USKIW: They are manufacturing the new signs now.

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MR. HENDERSON: Oh, they are.

MR. USKIW: So they're going to be along fairly soon, I would say.

MR. CHAIRMAN: The Honourable Member for Virden.

MR. MCGREGOR: Mr. Chairman, just getting back to the garbage containers along the highways, I used to think they were most attractive, but when you drive along and see one is burnt almost every trip into Winnipeg you see this. Is there any way of replacing them with the same style but made of a metal that they weren't - if it's plastic now they just seem to melt away and there's just screen left, or the frame left, and the junk's all there - it's a pretty unsightly sight to look at, and again in the summertime when the tourists are going through, is there any way of getting around this?

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: The opinion of the department is that the metal types just aren't very appealing to the eye and they feel that they should continue with the present ones. But they have to replace them as they are destroyed from time to time. I think that the proper question might be raised however from my own point of views, as to whether or not it was a good policy to set them up in the first place, and perhaps is something that should be reviewed.

MR. CHAIRMAN: The Honourable Member for Fort Garry.

MR. SHERMAN: Thank you, Mr. Chairman. We're voting on an appropriation of something in excess of \$35 million here, and I would like to know how much of that is directed towards grants for urban transit, as specified in the title of the resolution.

MR. USKIW: Well, Mr. Chairman, just on a point of order, are we past 63(a)?

MR. CHAIRMAN: We're on 63(a).

MR. USKIW: Assistance programs come under (b). So that we will have an opportunity to deal with that as soon as we pass (a).

MR. CHAIRMAN: The Honourable Member for Ste. Rose.

MR. ADAM: Mr. Chairman, I want to go back to the orbits. I would like to ask, is there a criteria how far they are placed? Are they placed every so many miles, or what is the criteria for that?

MR. USKIW: The criteria seems to be based on assumptions, namely, the need of the volume of traffic in other words. Whether or not people stop at certain places, and so on. It's not based on a mileage placing.

MR. ADAM: Then that reply leads me to ask a question. I notice there's an orbit placed about a quarter of a mile or less from the Dauphin Beach on No. 20, and that's become a garbage disposal for all the residents of, I believe two beaches, and the taxes I presume, the municipal people are collecting taxes from residents there, and I noticed . . . well my wife drives that road every day to Dauphin and she tells me that long before the orbits are placed out there's already large piles in bags of garbage piled along the highway. I'm just wondering whether that particular orbit there is not subsidizing the municipality. I think they're responsible for garbage pick-up, and so on.

MR. USKIW: Well, the whole problem is that the public somehow has not yet got to the point where they're responsible in the disposal of garbage in the way that we would like them to be. And the department feels that it's better to have a collection at a given point as opposed to having the ditches littered with all kinds of disposable items. Which was the case prior to the orbit system. So it's really the better of two evils shall we say.

MR. ADAM: Well, Mr. Chairman, on that very point. You know that we've travelled that road for the last 20-some years and I've never never seen any garbage piles between Ste. Rose and Dauphin. And now you have these piles there and you have a crew picking it up perhaps every day, picking up . . . And this is not from highway traffic, this is from residents all over the area. And even the farmers are hauling there. The farmers are hauling down there. So, you know, that may not be the right place for that . . . I'm sure that there's farmers hauling.

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

MR. GRAHAM: Mr. Chairman, signs were mentioned earlier here, and I forgot to bring it to the Minister's attention that it was several years ago that I think authority was passed in the House to designate the Yellowhead Highway, or No. 4 Highway in Manitoba as the Yellowhead Highway, and I believe instructions were . . . or authority was given at that time to have signs made to designate it as such for the motoring public. I want to bring it

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(MR. GRAHAM cont'd) to the Minister's attention that there are, I think, it's about four dozen or more signs on that highway that are still not designated with the Yellowhead sign. I wonder if the department has plans to eventually complete the signing of that road so that it is marked as the Yellowhead Highway in Manitoba. If the Minister wants the location of the unmarked signs, it's mainly from the Neepawa through to the Strathclair area. I think the signs on the east end and on the west end are pretty nearly all marked Yellowhead. But there is that large centre section which has not been converted yet. I wonder if this would be included in this year's plan?

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: The deputy advises that we're not in a position to give a definitive answer, but they are aware and they will look into that.

MR. GRAHAM: I may also point out that now with the sign shop being in Dauphin that it will be a lot closer to that centre section on the highway and perhaps we can get them a lot faster that way.

MR. USKIW: Okay.

MR. CHAIRMAN: The Honourable Member for Fort Garry.

MR. SHERMAN: Well, Mr. Chairman, I've had some complaints from students from the University of Manitoba, and elsewhere, who have worked for the Department of Highways in past summers, and I would like to ask the Minister and the Deputy Minister for clarification on this point: Some of these students have told me that they were promised when they went to work for the Department of Highways in the summertime, last summer and the summer before, that when the new contract and wage scale that was being negotiated at that time was approved, that even if they were back in school by the time it was approved, they would qualify for back-pay, for retroactive pay, under that contract. As I understand it, the scale to which they referred was approved I think in about November, and, of course, all of them, or certainly the majority of them, were back in university by September and they were under the impression that they had been guaranteed the retroactive pay. It has never materialized, and I've had many expressions of discontent over that matter. I would like an answer and an explanation if possible.

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: Well, Mr. Chairman, I don't have all the answer to that but I'm told that the department received a directive from the Youth Secretariat advising that only those on staff would be eligible for retroactivity. Now we'll have to check that further but that's the information we have.

MR. SHERMAN: That only those on staff?

MR. USKIW: The department was authorized to pay to those that remained on staff.

MR. SHERMAN: Remained on staff? Oh, well there seems to be a pretty wide gulf of misunderstanding here then, Mr. Chairman, because, as I say, the nature of the complaint to me was that they had been told that they would qualify even if they were back in school by the time the increase went through. So there's obviously a pretty wide gulf there in terms of what was actually promised, and perhaps we can have the department under the Deputy Minister look into that.

MR. USKIW: Well, Mr. Chairman, if that was the case I certainly would want to look into it myself. Certainly we should bring an answer to that.

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

MR. GRAHAM: Mr. Chairman, I notice it's after 10, I move the committee rise.

MR. CHAIRMAN: I believe according to our revised rules, such a motion is not in order. Our new rules specify the committee will rise at the will of the House Leader, I believe were the words. Such a motion is not in order.

MR. GRAHAM: Mr. Chairman, I believe the House Leader told us in the House today that this committee would sit till 10 o' clock, and then we would go back in the House for the other committee.

MR. CHAIRMAN: That's not my recollection. This is after all the Committee of Supply, it is done by the same rules as those members sitting within the House.

MR. USKIW: They've not moved out of Committee of Supply. Well, Mr. Chairman, I'm sure that the committee members in the House are, if they're still sitting, are still in Supply, so that we probably should continue as long as they are prepared to continue.

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MR. CHAIRMAN: Yes, that was my understanding of the procedure.

MR. GRAHAM: Mr. Chairman, I believe that perhaps we should then get the House Leader to verify.

MR. USKIW: Well, Mr. Chairman, that is being checked, and let us pursue the estimates until we get the information back.

MR. CHAIRMAN: The Honourable the First Minister.

MR. SCHREYER: Well, Mr. Chairman, just on the point of order . . . I just wanted to ask through the Chair if that was the understanding of other members as well, and if Mr. Johnston had been given any understanding with respect to the length of sitting of one committee while the other is sitting?

MR. CHAIRMAN: The Member for Portage la Prairie.

MR. G. JOHNSTON: In reply, I wasn't in the House that much this afternoon so I don't know what took place. It could be a strange situation if the House Leader forgot and went home and we'd be here all night.

MR. CHAIRMAN: The Honourable the First Minister.

MR. SCHREYER: Well, still on the point of order then, Mr. Chairman, we're checking that. It would seem to me that a practical procedure would be that if it has been agreed, and it has, to have the two committees meet concurrently, one would assume that they would meet for the same duration, and that they would rise at the same time, unless one actually had completed its business.

MR. CHAIRMAN: That was the Chair's understanding of the procedure. Resolution 63. The Honourable Member for Birtle-Russell.

MR. GRAHAM: Well then, Mr. Chairman, on the same point of order, am I then to understand that if the committee in the House rises that we continue?

MR. CHAIRMAN: My understanding was that at such time as those members in the Chamber were about to rise, that this part of the committee would be advised beforehand. In which case we would join our colleagues in the House, and the committee would rise in the normal way. The Honourable Minister for PIC.

MR. URUSKI: Mr. Chairman, I've checked with the House Leader and the remarks that you have made insofar as the procedure of this committee, are correct, that we will be notified by members from the House at a time that the other committee will be rising, and at that point of time we will be adjourning as well.

MR. CHAIRMAN: Thank you. Resolution 63(a)--The Honourable Member for Birtle-Russell.

MR. GRAHAM: Before we pass this can we get a breakdown on the various activities of the Maintenance Department and how much they anticipate to spend in each department or each segment?

MR. CHAIRMAN: Order please. I've just been advised the time has come for us to join our colleagues in the House.

MR. CHAIRMAN (Mr. Jenkins): Committee rise. Call in the Speaker.

Mr. Speaker, your Committee of Supply has considered certain resolutions, reports progress, and begs leave to sit again.

IN SESSION

MR. DEPUTY SPEAKER: The Honourable Member for Radisson.

MR. SHAFRANSKY: Mr. Speaker, I beg to move, seconded by the Honourable Member for Flin Flon, that the report of the committee be received.

MOTION presented and carried.

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

MR. D. JAMES WALDING (St. Vital): Mr. Speaker, I beg to move, seconded by the Honourable Member for Churchill, that the report of the committee be received.

MOTION presented and carried.

MR. DEPUTY SPEAKER: The Honourable House Leader.

MR. GREEN: I move, Mr. Speaker, seconded by the Honourable Minister of Industry and Commerce, that the House do now adjourn.

MOTION presented and carried, and the House was adjourned until 10 a. m. Friday morning.