

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, 16 April, 1982

Time — 10:00 a.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. D. James Walding (St. Vital): Presenting Petitions . . . Reading and Receiving Petitions . . .

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: The Honourable Member for Flin Flon.

MR. JERRY STORIE (Flin Flon): Mr. Speaker, the Committee of Supply has adopted certain resolutions, directs me to report same and asks leave to sit again. I move, seconded by the Honourable Member for Radisson, that the report of the committee be received.

MOTION presented and carried.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

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

HON. EUGENE KOSTYRA (Seven Oaks): Mr. Speaker, I have the pleasure of tabling the Annual Report for the year ending December, 1981, of the Department of Consumer and Corporate Affairs.

MR. SPEAKER: The Honourable Minister of Community Services.

HON. LEONARD EVANS (Brandon East): Mr. Speaker, I have a brief statement as Acting Minister of Natural Resources and I have copies for the . . .

The Manitoba Water Resources Branch reports that very mild weather and showers that occurred since Easter Sunday have somewhat increased forecast peak stages on the Red River. However, peak stages will still be below bank full at virtually all points on the Red River in Manitoba. Minor agricultural flooding may occur in low-lying areas.

The crest on the Red is just south of Emerson today and is expected in Winnipeg on April 22nd. The Red River Floodway was put into operation last evening. Our new Assiniboine runoff is just getting under way.

Flooding is not anticipated on the Assiniboine, but there is a chance of minor agriculture flooding in the Virden and Griswold areas. The Portage diversion will be operated if necessary to prevent ice jams on the River between Portage and Headingley. The Shelmouth Reservoir will be operated to store runoff from the head water area of the Assiniboine River.

On the Souris River runoff is just beginning. Snow covering the Saskatchewan portion of the watershed is only partially melted. Agricultural flooding will occur on the Souris River and the International Boundary to Hartney reach and will likely begin next week.

Peak stages are expected to be somewhat above those of '72 and somewhat below those of 1979 during the first week of May.

The Water Resources Branch emphasizes that above normal precipitation during the next week or so would result in higher peak stages on the Red, the Assiniboine and the Souris Rivers. Flooding is not anticipated on smaller watersheds in Manitoba this spring. Many of the smaller streams have already crested. The Water Resources Branch is monitoring the spring runoff conditions closely and will issue further bulletins if necessary.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY ENNS (Lakeside): Mr. Speaker, I know that I and all other members are pleased with this generally optimistic report with respect to flooding conditions generally in the province but, Mr. Speaker, I move to note that the one area where there is some serious flooding taking place in the province is specifically deleted from the report that we have just heard from the Minister.

I refer of course to the flooding that is currently taking place on the Fisher River at the Peguis Indian Reserve as a result of unauthorized structures that were built last fall and I would have to take the government to task in a small way for at least not noting that in this report.

The situation, while I don't want to exaggerate, has caused the closure of, I believe, two provincial roads. It has caused problems of concern to communities such as Hodgson and adjacent farmland and I'm told by this morning's CBC reports, which I never doubt their veracity, that there may indeed be some possibility of evacuation of the Peguis Indian Reserve once again.

So, that the works undertaken as unauthorized as they were last fall and as predicted, by the way, by resource people last fall and certain local area residents, it would be the height of irony if indeed residents of the Peguis Indian Reserve should have to be evacuated this spring while at the same time having caused undue damage to neighbouring and surrounding lands in the closure of several provincial roads.

MR. SPEAKER: The Honourable Minister of Finance.

HON. VIC SCHROEDER (Rossmere): Thank you, Mr. Speaker, I have a statement to make and I have copies.

MR. SPEAKER: The Honourable Minister of Finance.

MR. SCHROEDER: Thank you, Mr. Speaker. I am pleased to announce to the House today increases in the minimum wage for the Province of Manitoba.

Effective July 1st, 1982, the minimum wage for employees 18 years of age and over will increase from \$3.55 per hour to \$4.00 per hour. For employees under the age of 18 years the minimum will increase from \$3.10 per hour to \$3.55 per hour. The special min-

imum wage rate for employees serving alcoholic beverages will be eliminated.

In January of this year, the Minimum Wage Board was asked to review minimum wage levels and report back to myself. In March, the board submitted both a majority and a minority report. In good part, the minimum wage increase I have just announced is based on the recommendation of the minority report.

As members will know, between September of 1976 and June of 1979, there were no increases in the minimum wage. During that period the Consumer Price Index rose 28 percent, while those who must live on the minimum wage saw no increase in their earnings. In 1979, 1980 and in 1981, we had two 2-stage increases in the minimum wage that raised the minimum wage to its present level of \$3.55. Between 1977 and 1981, the minimum wage increased by only 20 percent. At the same time, other workers in Manitoba experienced a 37 percent increase in their weekly earnings and the Consumer Price Index increased by 46 percent. In other words, the purchasing power of our lower income citizens was deteriorating substantially.

Compared to other provinces, Manitoba minimum wage earners were not faring well either. In 1977, four provinces had minimum wage rates higher than Manitoba and the gap in rates ranged from five cents to twenty cents. Today, those same four provinces and the Yukon Territories have higher rates than Manitoba and the gap range is from five to seventy cents. Saskatchewan, with a \$4.25 an hour rate and Quebec, with a \$4.00 per hour rate, are now the two provinces whose minimum wage is in excess of or equal to Manitoba's.

I mentioned earlier that the differential for employees who serve alcohol has been eliminated. It is the feeling of this government that the differential was discriminatory and based upon the erroneous assumption that tipping would, in every case, make up the wage gap. It should be noted that at no time during the last 10 years did the minimum wage board recommend the creation of this wage differential. Instead, it was the product of a Cabinet decision by the previous government after intense lobbying by interested groups.

During the last few years the minimum wage in Manitoba has ranged from 43 to 47 percent of the industrial composite average. From 1969 to 1977, the minimum wage ranged from 50 to 55 percent of the industrial composite. The increase I have just announced will raise the minimum wage to the equivalent of 51 percent of the industrial composite, as it was in June of 1981. In the past, minimum wage boards have recommended that the minimum wage be tied to a formula based on a percentage of the composite industrial wage. This was again suggested by the minority report of the board. I wish to inform members of the House that my department is presently examining that possibility.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. DAVID R. (Dave) BLAKE (Minnedosa): Thank you, Mr. Speaker, we thank the Minister for giving this report. It might have been more appropriate if they

had delivered it Wednesday night in the rather lengthy speech that they delivered to the hotel industry looking at the elimination of the special wage for beverage service employees.

Mr. Speaker, I noticed that there is a minority and a majority report. I wonder if the Minister will table those reports in the House that the wage has been taken from. Mr. Speaker, this particular announcement will require obviously some further study rather than our quick reply this morning, but in view of the fact that we are experiencing a rather difficult time in the employment field with unemployment rates increasing substantially every year, we fail to see on this side of the House what this is going to do for employment. Indeed, it's going to have the absolute opposite effect on employment particularly with the summer season and the employment of student help coming on stream.

Mr. Speaker, as I mentioned earlier, we would like to have the Minister table that report so that we may give it some further study because Manitoba, as we all know has done reasonably well in holding the level of unemployment to something reasonable in relation to the other provinces in the country. It seems to be on the slide in the last few months and this report I'm sure, Mr. Speaker, will do little to halt that slide. As I say, it's hard to estimate from a quick glance at the Minister's release and until we have a good look at the report to see what they have based this increase on other than the ideological position that they have of course that the minimum wage has to be among the highest in the country when we're one of the provinces that maybe can least afford it. Thank you, Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we reach Oral Questions, may I direct the attention of honourable members to the gallery where we have 40 students of Grade 9 standing of the Tuxedo Shaftesbury School. These students are under the direction of Mr. Semotok and the school is in the constituency of the Honourable Member for Tuxedo.

There are 35 students from the Dauphin McKenzie Junior High School under the direction of Mr. McCallum. This school is located in the constituency of the Honourable Member for Dauphin.

On behalf of all the honourable members, I welcome you here today.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, I ask the question to the Acting Minister of Natural Resources, or perhaps indeed the Minister of Agriculture whose constituency is involved in the earlier matter of the flooding on the Fisher River. Firstly, I assume the government is aware of what's happening there and are they doing anything about it?

MR. SPEAKER: The Honourable Minister

of Agriculture.

HON. BILL URUSKI (Interlake): Mr. Speaker, I'm advised that there has been communications between the Peguis Band and the Department of Indian Affairs, indicating that the Province of Manitoba is prepared to assist in the longstanding dispute in terms of cost-sharing in the improvements on the Fisher River. We have communicated those concerns to the Band and we're doing in terms of putting our position forward to the Band and urging them that these structures be removed by them. Question, that's an answer to the long-term problem. What about the immediate problem? Can the Minister confirm that there is a possibility of evacuation having to take place on the Peguis Reserve and can the Minister confirm that the unauthorized structures will be removed by the Department of Natural Resources?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. URUSKI: Mr. Speaker, I can indicate to the honourable member, I was advised late last night that the water levels have stabilized in the river. There may be the possibility of some evacuation.

With respect to the removal of the structures, Mr. Speaker, we hope that common sense and through negotiations, this matter will be resolved and these structures will be removed.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: A final question, Mr. Speaker, does this government acknowledge that they are unauthorized structures that are causing the flooding to adjacent farmlands and indeed endangering the Community of Hodgson at this time?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. URUSKI: Mr. Speaker, there is no doubt that the Government of Manitoba, whether it was your administration or ours, did not authorize those structures to be put in.

MR. SPEAKER: The Honourable Member for Tuxedo.

MR. GARY FILMON (Tuxedo): Thank you, Mr. Speaker. My question is to the Minister of Urban Affairs. In view of a news report today of a \$600,000 advertising contract for the first year of the Core Area Initiatives Program, this contract having been awarded to a firm headed by a campaign worker for the Federal Minister of Immigration and Employment, did the Minister of Urban Affairs, being Manitoba's representative in the tri-level committee which is administering the Core Area Initiatives Program, or his staff have any part to play in this decision?

MR. SPEAKER: The Honourable Minister of Urban Affairs.

MR. KOSTYRA: Thank you, Mr. Speaker. There were

tenders set out for the public information campaign under the Core Area Initiative. There were a number of firms that had tendered for the contract to provide the public information services for the Core Area Initiative. Staff from three levels of government, including a representative from the Provincial Government, reviewed all the applications, made a short list of the applications and then interviewed each of the companies on the short list. Their unanimous recommendation was the one that was awarded the contract.

MR. FILMON: Yes, Mr. Speaker, I wonder if the Minister could indicate if he agrees with an expenditure of \$600,000 for the first year towards advertising particularly in view of the many serious social and economic problems that face the core area and the limited funds that are available even through the tri-level participation. Does he agree that this is a priority that ought to be a major component of this program?

MR. KOSTYRA: Thank you, Mr. Speaker. As the member is well aware, there are a number of programs under the Core Area Initiatives, one of which includes the dissemination of information to the public so that they are informed of what's going on with respect to the Core Area Agreement. The public information program that is going to be starting, that the member refers to, is one that the former Minister of Urban Affairs had agreed to as part of the core area initiatives. We have made some changes in the way information is to be brought out to the public and, in particular, we wanted it tied so that residents of the core area would be able to get that information because the proposal as it was prepared by the previous government was to have a number of large advertisements and that kind of thing which wouldn't necessarily meet the needs and get the information to the core area residents. We suggested some changes, but that is one small part of the core initiatives and I think it's important as the previous government had recognized, to get that information out to the public so that they could be informed as to what programs are under way, what's contemplated under the core area initiative because one of the criticisms that has been that the citizens in the area, in the core area in particular, have not been able to get all the information on the programs.

MR. FILMON: Yes, Mr. Speaker, in view of the fact that even the advertising agency representative says that it sounds quite frankly as though it's high, and in view of the fact that this \$600,000 is only for one year of a program that undoubtedly will last a number of years perhaps as many as five or more years, what form will this advertising take and what benefit will it produce towards this core area initiative development? Can the Minister tell us that?

MR. KOSTYRA: Yes, Mr. Speaker, as I understand it, the advertising will take a number of forms. It'll be in the form of brochures on particular programs of the core area; there will be audiovisual displays that could be taken into meetings and to various areas to explain different programs of the core initiatives; there will be some national advertising in order to attract industry to the core area, to provide meaningful jobs for core

area residents, so it's a multifaceted approach.

I might just add that, as the member has stated, the contract is for a one-year period and it's going to be reviewed after one year to determine whether or not it is actually meeting the kind of needs that are, with respect to public information. If it's determined at that time, Mr. Speaker, that the information isn't getting out to the public, then it may be changed or altered as the need arises at that time.

MR. SPEAKER: The Honourable Member for Swan River.

MR. D.M. (Doug) GOURLAY (Swan River): Yes, I have a question to the Minister of Energy and Mines. Can the Minister advise whether there are any immediate prospects for the extension of natural gas to other communities of Manitoba, particularly the Swan River area and northern Manitoba in the foreseeable future?

MR. SPEAKER: The Honourable Minister of Energy and Mines.

HON. WILSON PARASIUK (Transcona): Mr. Speaker, there have been some groups who have been talking about establishing co-operatives to provide for a further distribution of natural gas within the province. As the member knows, natural gas is distributed in Manitoba by private companies and there have been concerns raised from time to time by various communities that they have not been able to get an extension of the distribution of natural gas into their communities. This is surely a matter that I in fact will look into, Mr. Speaker. I haven't looked into it to date, but I will look into the matter that has been raised by the Member for Swan River and sit down with the companies and ask them what their particular plans for distribution are or whether in fact they take into account some possible extensions into places like Swan River or places like The Pas or other places that, in fact, have made some representation in the past that they would like to see an extension of the distribution of natural gas into their communities.

MR. GOURLAY: Mr. Speaker, I'd like to thank the Minister for that answer and I have a further new question to the Acting Minister of Municipal Affairs.

I wonder if the Acting Minister can indicate how many terminations there have been on the Municipal Board that was appointed by the previous administration.

MR. SPEAKER: The Honourable Minister of Finance.

MR. SCHROEDER: Yes, Mr. Speaker, I'll take that question as notice for the Minister of Municipal Affairs.

MR. GOURLAY: Yes, Mr. Speaker, the Minister of Municipal Affairs indicated a week or so ago that there had been a number of new appointments to the Municipal Board. I wonder if the Acting Minister could also take as notice, if he doesn't know, whether these new appointments have been formalized to date.

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. URUSKI: Mr. Speaker, I'll take that question as notice.

INTRODUCTION OF GUESTS (Cont'd)

MR. SPEAKER: Order please. I trust all members will remember our rule about the reading of newspapers in the Chamber and if I may interrupt the proceedings for a moment to indicate in the gallery that we have 40 students from the Edward Schreyer School. These students are under the direction of Mr. Lindenschmidt and the school is in the constituency of the Honourable Minister of Government Services.

On behalf of all the honourable members, I welcome you here today.

ORAL QUESTIONS (Cont'd)

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

MR. J. WALLY McKENZIE (Roblin-Russell): Mr. Speaker, I have a question for the Honourable Minister of Labour.

I wonder, can the Honourable Minister of Labour advise if he or the Minister of Co-op Development have had any meetings with those employees at the plants at Rossburn and Pilot Mound, who have offered to take a reduction in salaries to see if we can't get those plants open again?

MR. SPEAKER: The Honourable Minister of Labour.

MR. SCHROEDER: Mr. Speaker, that question has been asked a number of times by the member to the Minister of Co-op Development. The Minister of Co-op Development is the lead Minister on that. He is aware that there have been discussions. I'm sure those discussions are ongoing and when that Minister is back, I'm sure that he would be glad to answer further questions on it.

MR. McKENZIE: Mr. Speaker, I wonder if the Honourable Minister had any consultations with these employees at Pilot Mound or Rossburn before he made the statement this morning?

MR. SCHROEDER: Mr. Speaker, I just finished telling the member — I suppose he didn't hear so I'll explain again — the Minister of Co-op Development is the lead Minister with respect to the issue that he raised. That is the Minister to whom he can address his questions. As he can see, that Minister is not here this morning.

MR. McKENZIE: Mr. Speaker, I don't know who I'm going to ask to get an answer for my question. I wonder then, will any member of the government advise me if they're prepared to call in MANCO, the Dairy Commission and these unemployed workers and sit down with them and see if the offer that they made to take a reduction in salary will open those plants at Pilot Mound and Rossburn?

MR. URUSKI: Mr. Speaker, I've made that offer and I've had several meetings with the Chairman and General Managers, I've indicated before. That offer is open in terms of trying to assist MANCO and management in terms of their oversupply of cheese. They have used one route and that was the route to appeal the price of milk that they were paying to producers. The Natural Products Marketing Council heard that appeal and, as I understand it, the appeal was turned down. Mr. Speaker, I'm sure that the Board of Directors and I have made this open, that we're certainly open to meet with them to see if we can assist them in any way in terms of whether it be management assistance, whether it be further marketing assistance and our marketing people are involved, but all avenues certainly are open to discussion.

MR. SPEAKER: The Honourable Member for Pembina.

MR. DONALD ORCHARD (Pembina): Mr. Speaker, I have a question for the Minister of Labour. Could the Minister of Labour inform the House as to the current status of negotiations on the contract between the grain handlers of the Port of Churchill and the Federal Government?

MR. SPEAKER: The Honourable Minister of Labour.

MR. SCHROEDER: Mr. Speaker, that happens to be a question that the member should know is in the federal jurisdiction. We have thousands of issues in the provincial jurisdiction that one would think would be important, one would think that we might even get some questions about the statement on the minimum wage this morning, but if he wants to talk about and follow up the former Member for Rock Lake on questions about Churchill negotiations, that I suppose is his choice. I understand that those negotiations, as they have always in the past, gone very well. The relations between the employer and the employees there are such that we have an enviable record. I would hope that other ports in this country could in the future take a look at what happens there in terms of employer-employee relations. We expect that contract will be finalized very shortly; there is no indication of any real concern down there at this time and we are rather happy with the way things have gone.

MR. ORCHARD: Well, Mr. Speaker, no one on this side of the House is saying that negotiations and relationships at the Port of Churchill haven't been excellent. The question simply put, Mr. Speaker, and it was put some two weeks ago is, has the Minister of Labour made representations to the Federal Government to ensure that contract negotiations at the Port of Churchill proceed very quickly to conclusion? Because, Mr. Speaker, as I pointed out to the Acting Minister of Labour some 10 days ago, the lead time for the use of the Port of Churchill is significant and at the present time with no finalization of a contract there is a reduction in the activity of proposed use in the Port of Churchill. I would ask the Minister of Labour if he could undertake to make a direct inquiry with the Federal Government, with his federal counterpart, to assure that there are no undue delays in the contract

negotiations at Churchill so that a major exporter can undertake a new use of significant export volumes of grain through the Port of Churchill this summer. An export deal, Mr. Speaker, which I might tell the Minister of Labour requires significant lead time and has to be acted upon very shortly.

MR. SCHROEDER: Mr. Speaker, it's pretty clear that the Member for Pembina doesn't read, is obviously out of touch and isn't aware that there has been a tentative agreement, a package that was made public some, I believe, 10 days ago or at least 8 days ago. One would assume that he would know what is public information. I can assure members opposite that Members of this Treasury Board have, in fact, been in touch with the parties involved and we're quite happy with the way things are going there. But as I said in my first answer one would think that they would have questions about things that this government does have jurisdiction over.

MR. ORCHARD: Mr. Speaker, I want to thank the Minister for providing the answer to my first question now, and could the Minister indicate whether he expects, in consultation with the Federal Government, the contract to be completed in the very near future?

MR. SCHROEDER: Yes, Mr. Speaker, we have no reason to believe that the contract will not be finalized and ratified. We expect it will take, as usual, a few more weeks because the workers do have to come back to the port and there are certain time constraints involved. But we have no reason to believe that labour relations this time will be worse than they have been in the past; in fact, we are very happy with the way matters there have proceeded.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. A. BRIAN RANSOM (Turtle Mountain): Mr. Speaker, my question is for the Minister of Labour; it relates to his announcement this morning. There is no question that all of us want to see people have a larger disposable income, to have an increasingly disposable income. Our first concern though, I think, of most people is that they want to be employed and that becomes evident. The question that my colleague for Roblin-Russell asked which he prefaced with the remark about workers at Rossburn and Pilot Mound wanting to take a pay cut in order to have a job and, Mr. Speaker, in view of the fact that the announcement this morning will result in an increase in the range of 14 percent for the minimum wage for workers under 18, the concern would be what effect that would have on the numbers of students that would be employed this summer. Mr. Speaker, my question then to the Minister of Labour would be, was there an analysis done as to the impact that this will have on the number of people employed this summer in the province, particularly those 18 and under?

MR. SCHROEDER: Mr. Speaker, it goes without saying that we on this side are very concerned about employment levels in this province, as I'm sure, peo-

ple on that side are. I believe that the people of Manitoba are also concerned about employment levels and that's why they threw that bunch out last fall. In terms of minimum wage rates and their effect on employment levels in the province, I would like to point out to the member that although the NDP have only been the government of this province for some nine years out of more than 100 years, I believe 112 years of our existence, we have announced a total of \$2.15 worth of minimum wage increases in that nine year period. While the Tories and Liberals together in over 100 years have announced \$1.85 in increases of minimum wages in this province, just an example, and when we look back . . .

MR. SPEAKER: Order please.

MR. SCHROEDER: . . . to the 1970s when we had eight years of government our unemployment levels were —(Interjections)— it's pretty clear, Mr. Speaker, the members opposite don't want to hear the answer. —(Interjection)— But, you know, in the 1970s, while we were —(Interjection)— \$1.85 in over 100 years. In the 1970s, while we were one of the leading provinces in terms of the minimum wage. Our unemployment rate was one of the lowest in the country. There is no evidence that had some negative impact on what was happening in the province.

We had people, our poorest paid people, who were able to spend more money on their living than they can now. You know, between 1976 and 1979 there were no increases in the minimum wage while the cost of living for those people went up by 28 percent and the members opposite are now standing up and suggesting that — they're not saying that they don't like the increase, but I would like the Member for Turtle Mountain to stand up and say whether it's too much or too little.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. RANSOM: Mr. Speaker, if indeed the people, as he says, threw this bunch out last fall in the anticipation of getting larger, greater amounts of jobs created in this province, they're going to be sadly disappointed on the basis of the broken promises that we've seen so far.

Mr. Speaker, my question to the Minister of Labour was, did they do an analysis on the impact that this will have on the employment of people under 18 years old? I expect there will be a great many young people under 18 years old who would find it preferable to be employed at \$3.15 an hour rather than be unemployed at \$3.50 an hour and I have simply asked the Minister, has he done any analysis before this action was taken? He would be asked also earlier, Mr. Speaker, will he table the report of the Board?

MR. SPEAKER: The Honourable Minister of Labour.

MR. SCHROEDER: Mr. Speaker, maybe if we drop the minimum wage to 50 cents an hour we would have everybody employed, maybe but I tend to doubt that. I happen to believe that we should in this province have reasonable, fair minimum wages. —(Interjection)—

well, the Member for Lakeside is getting a little bit excited and maybe if —(Interjection)— Students in this province will be receiving, compared to where they were four years ago and compared to the cost of living, approximately the same amount maybe even a little less unfortunately. So, I would presume that if things were relatively reasonable four years ago, they are still relatively reasonable with this increase. In terms of the —(Interjection)— the member is asking about the report. I have no problem; we will table the report. I'm sure I will be able to get that out to the member for next week, but I would like to hear from the member. Is he saying that it was too much? Is he saying that we should keep the students back at \$3.15? Is that what he wants?

Mr. Speaker, the member asked about an analysis. I pointed out to him, but of course he doesn't want to listen to history; the history is, that in the 1970's while we were one of the leaders in this country we had no worse an unemployment problem with youth or any other group than any other province in this country, and we do not believe that we will have any difficulties with respect to this increase.

MR. RANSOM: Mr. Speaker, the Minister of Labour says he wants the members of the Opposition to express an opinion. He surely knows that the question period is a time for the Opposition to ask questions of the government. I asked a question. Although he did not answer it, it is quite evident now that we do have an answer. Indeed, he doesn't know what effect it is going to have. He goes into a history lesson rather than telling us whether or not this decision was taken on the basis of the effect that it will have on employment.

Therefore, Mr. Speaker, I have a question for the Minister of Energy and Mines. Yesterday, over the past two days, the Minister of Energy and Mines made reference in response to a question, said that a final agreement might be expected on the Western Power Grid within two years. It became evident yesterday that two-year period would be dated from some as yet unknown time when an interim agreement might be signed. In view of the fact that the Minister had also answered two days ago that negotiations for the Western Power Grid were on schedule and in view of the fact, Mr. Speaker, that the interim agreement which the three western Ministers had recommended to their governments last fall called upon the Manitoba Government to begin the necessary engineering and construction work on Limestone; in view of the fact, that on that basis the government directed Hydro to commence work, to begin the necessary work to de-mothball Limestone and start construction and begin expending money April of this year, can the Minister of Energy and Mines advise this House whether or not he has cancelled that directive to Manitoba Hydro?

MR. SPEAKER: Honourable Minister of Energy and Mines.

MR. PARASIUK: Mr. Speaker, when the government made that direction they did so in the heat of an election campaign, when in fact the Cabinet had not even considered that agreement. There is no docu-

mentation to indicate that the Cabinet of Manitoba under the Conservative Government had even considered an agreement that put Manitoba at some substantial risk and yet, for crass political purposes, the Premier at that time had a big press conference telling everyone that everything was go. A few days later, other premiers said that they hadn't considered the agreement yet. The Cabinets hadn't done so and what we had was a lot of crass political games playing at that time.

We are proceeding with negotiations, Mr. Speaker. We are doing so without artificial deadlines; we are proceeding in good faith. I won't be coming here month after month as my predecessor did saying that we're going to have something starting in May; saying that we're going to have something starting in August; saying that we're going to have something starting in September and everytime, Mr. Speaker, missing everyone of those deadlines and falsely leading on Manitobans. It's not the purpose of this government to mislead Manitobans as the Conservative Government did for four consecutive years. We, indeed, are proceeding with the orderly development of Hydro as we said we'd do and frankly we are considering the whole range of options, Mr. Speaker, with respect to construction, with respect to stockpiling, with respect to adequate northern participation and construction which that government never concerned itself with. We are doing all those things and we are proceeding, I think, in good pace taking into account some of the fumbling that had been done by the previous government when they made some commitments which would have put Manitoba at substantial risk. So, we are proceeding well, Mr. Speaker. We get encouragement and good constructive responses from the Governments of Saskatchewan and Alberta. The only group that we have undermining what's going on, Mr. Speaker, is the Conservative Opposition.

MR. RANSOM: Mr. Speaker, I have here a news release from the Government of Saskatchewan Information Services which was dated the 23rd of October, 1981. It's headed, "Blakeney Says Grid Recommendations Awaiting Approvals. Premier Allan Blakeney said today that Ministers negotiating on the proposed Western Power Grid are now taking their recommendations to the required governmental agencies for review and analysis. The release goes on to say that the interim agreement would be reviewed by the various corporations in Saskatchewan by Treasury Board and Cabinet and the release says, Mr. Speaker, the Premier said an interim agreement could be possible, and I quote, "in the next few weeks."

Mr. Speaker, in view of the fact that the Premier of Saskatchewan said that an agreement was possible within the next few weeks, last October 23rd, will the Minister of Energy and Mines confirm that the interim agreement called for the Manitoba Government to begin the necessary engineering and construction on the Limestone plant?

MR. SPEAKER: The Honourable Minister of Energy and Mines.

MR. PARASIUK: Mr. Speaker, we are proceeding to meet the intent of our discussions with respect to the

Western Inter-Tie development, but we will not do so by putting the Province of Manitoba at risk. I ask, you know, and I know that the Government of Manitoba didn't look at that agreement. Saskatchewan at least had the foresight to say: "We are going to have Treasury Board review it; we are going to other agencies do analysis of that." Mr. Speaker, when I met with them I had none of the other two Ministers come up and say that we have reviewed this and a Cabinet has reviewed it and the Cabinet's accepted it. In fact, Mr. Speaker, when we resumed discussions, the Alberta official representing the Alberta Government said we certainly expected the Manitoba Government to want to make some changes to that agreement.

If the Conservative Government in Alberta would expect that a rational government in Manitoba would want to make some changes to the joke negotiated by the Conservative Government of Manitoba then surely, we, as pragmatic government, Mr. Speaker, undertook our responsibility in good faith, we have in fact asked for some changes. We are having constructive discussions, Mr. Speaker, and the Member for Turtle Mountain says that we should meet a schedule and sell out. We say that we do not sell out to meet artificial schedules and timetables, but that we are rather more concerned if we are negotiating a 35-year agreement not to be panicked, not to be rushed by crass political concerns, but rather to take our responsibility in a very hard manner, in a clear manner, to act as trustees for the future generations of Manitobans and to negotiate a very fair, good 35-year agreement that we would be proud of 10 years from now rather than to try and negotiate something that would just get over an election, Mr. Speaker. We don't operate that way even though the Conservatives do, as they did with the whole CFI fiasco that they perpetrated on Manitoba and it's rather tragic that they never learned from their past mistakes.

MR. SPEAKER: The Honourable Minister of Economic Development.

HON. MURIEL SMITH (Osborne): Mr. Speaker, the Member for Sturgeon Creek inquired quite a few days ago as to the role my department has played in the bankruptcies affecting Sun Valley Pools and Wolch Apparel. Earlier on there was also an inquiry about the department's role in the Metro Drugs bankruptcy case. Since that time there's also been reported in the media the bankruptcy of the Seven Day Food Stores.

I regret reporting that the power of our Provincial Government to stem the current disturbing tide of bankruptcies such as these is not presently as great as we would like. First, the major policy factors underlying those bankruptcies and too many other like them are strictly beyond our immediate control; they are the direct result of the particular macro-economic policies being practised in Washington and Ottawa, Mr. Speaker. These particular economic policies were not only endorsed but also lobbied for by the members opposite when they formed the government of this province. We are now witnessing in Manitoba and throughout North America, the disastrous results of Reaganomics endorsed by the previous Government of Manitoba. The present Government of Manitoba does not endorse these simplistic policies.

Secondly, Mr. Speaker, I must say with regret that the Provincial Government's capacity to deal with problems like these cited is at present severely limited. The planning capacity, the analytical capability and the financial mechanisms required to allow us to deal with the present crisis in an efficient manner has been effectively dissipated and disseminated over the past four years.

MR. SPEAKER: Order please. The Honourable Member for Turtle Mountain on a point of order.

MR. RANSOM: Yes, Mr. Speaker, I believe yesterday you advised the House and the Minister of Education that lengthy answers of this nature would be better filed in a written form.

MR. SPEAKER: The Honourable Minister of Energy and Mines.

MR. PARASIUK: Yes, Mr. Speaker, on that point of order, I didn't see the House Leader of the Conservative Opposition get up on his feet and protest when the Member for Pembina asked a question for about five minutes. I think if you look through Hansard, Mr. Speaker, you'll find that some of the Opposition had been asking very very lengthy questions and we sat here politely while that was going on. When my colleague gets up and presents an answer to a question in good faith and it's a good answer, we assume that the question was a good question, we have the Opposition House Leader jumping to his feet because they don't want to hear, Mr. Speaker, they just want to try and undermine the process.

MR. SPEAKER: Order please. I thank both honourable members for their remarks. It is quite right that I spoke to the Honourable Minister of Education yesterday in making her reply and the danger in the Minister making a reply to a question taken as notice is that it is easy for an answer to drift into the realm of a statement or a speech. The matter is something that the Speaker really cannot deal with and it must be left to the best judgment of the Honourable Minister not to abuse the time of question period and to make the answer as short and as concise as possible.

The Honourable Minister of Economic Development.

MRS. SMITH: Mr. Speaker, I just want to add one more point. We're limited in our ability to act in cases like Sun Valley Pools and Wolch Apparel because we cannot move in a pre-emptive fashion in a delicate receivership and bankruptcy proceeding unless the parties themselves contact us.

In the particular cases, there was no application by the principals for consulting assistance from the department and nor was there any application for assistance under the Interest Rate Relief Program. So, Mr. Speaker, I submit that the specific information on the causes of the problems with those particular companies have not been made public and I submit that we must respect the confidentiality in those cases.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. RANSOM: Yes, a question for the Minister for Energy and Mines, Mr. Speaker. He earlier did not answer the question that I asked about the directive to Manitoba Hydro commencing to de-mothball operations on Limestone. Has that directive been cancelled?

MR. SPEAKER: The Honourable Minister of Energy and Mines.

MR. PARASIUK: Mr. Speaker, the Manitoba Hydro did snap to attention and undertake a massive project. They are proceeding to get operational again with respect to the development of Limestone and, in terms of the briefing material that I had received from the Manitoba Hydro upon becoming Minister, Mr. Speaker, I received no indication that there had been any massive start-up but rather that Hydro is proceeding in an orderly manner to develop, I think, in a very constructive way —(Interjection)— No, no, what I'm saying is that Hydro was proceeding in an orderly manner. I was saying that the government of the day at that time was proceeding in a rather disorderly manner, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. RANSOM: Yes, Mr. Speaker, the Minister of Energy and Mines took as notice some questions a few days ago about the clearing of Hydro right-of-way from Koostatak to Jackhead Reserve. I wonder if the Minister could answer those questions.

MR. PARASIUK: Yes, Mr. Speaker, I don't have the material in front of me, but from memory, Manitoba Hydro informed me that they were satisfied with that date. They also informed me that the way in which the Department of Indian Affairs operated was to sub-contract through a Band and it may be that work was contained to members within the Band and was not sub-let out to other people. That is the responsibility of the Federal Government.

MR. SPEAKER: The Honourable Member for Tuxedo.

MR. FILMON: Mr. Speaker, my question is for the Minister of Economic Development. In view of her admission today that the Manitoba Government is limited in its ability to act on behalf of small businesses which are suffering financial problems; in view of her statement that she regrets that the Government of Manitoba cannot be of greater effect because of all the other problems that exist; in view of the message from one Howard Pawley in this election document called a "A Clear Choice for Manitobans" — policies of the New Democratic Party — which says as follows, "We can provide interest rate relief and an economic climate to ensure that small business stays in business, which she termed as a "crass political promise," as termed by her counterpart, the Minister of Energy and Mines, this morning.

MR. SPEAKER: The Honourable Minister of Economic Development.

MRS. SMITH: Mr. Speaker, as the member opposite

well knows, the building of an alternative economic structure here in Manitoba takes time and we are committed to putting in the investment in the primary resource field and to develop a sound well-planned public investment program for the future. Mr. Speaker, these are not achievements that can be done overnight because you need a sound planning capacity in the government. You need people who can do the thorough financial analysis. We are putting in place that capacity, Mr. Speaker, and hope to build to a position where the security of small, medium and large business in Manitoba is much improved.

MR. SPEAKER: Order please. The time for Oral Questions has expired.

ORDERS OF THE DAY

MR. SPEAKER: The Honourable Government House Leader.

HON. LAURENT DESJARDINS (St. Boniface): Mr. Speaker, would you call Bill No. 18, standing in the name of the Honourable Member for Virden.

ADJOURNED DEBATE ON SECOND READING BILL NO. 18 — AN ACT TO AMEND THE PARI-MUTUEL TAX ACT

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON (Sturgeon Creek): Mr. Speaker, the Honourable Member for Virden adjourned this debate on my behalf and if the House agrees, I would speak on it at the present time.

MR. SPEAKER: Agreed? (Agreed)

MR. JOHNSTON: Mr. Speaker, the bill is very straightforward. It provides another 5 percent to the province which is on the tri-actor races which is betting on more than three horses within a race and the province has indicated that these funds will be returned to the industry, the breeders and the horse owners. Mr. Speaker, this is credible.

It was recommended in a report that was commissioned by our government and after receiving the report we took a step last year of increasing the funds to all sections pretty well of the racing industry and, I think the step that is being made right now is one that is proper. I would caution though and I hope that there was a lot of research done regarding this, because it has been proven that every time you increase the tax on a particular race or on racing the betting will drop by approximately 6 percent per tax point.

Mr. Speaker, the people will not go out and bet their money if there is too much of the money going to the government and not enough being returned to the individual bettor. So, we would hope that the statement of the Minister of Finance, because it is the type of race that a lot of people bet on and there's a lot of particular betting on the horses and it's more spread around in the tri-actor race, that it will not show that

much difference, but I can assure him the figures and facts are there. They are available to him from the track; they are available to him from people who know the industry very thoroughly, Mr. Speaker, and there is a percentage of betting drops off the minute the people know that more money is going to the track or the government and not to the bettor.

Mr. Speaker, I would only comment generally on the bill that has been before us. Unfortunately, the government is going to have to receive advice on this type of decision from a Racing Commission and it is unfortunately according to Jack Matheson in Metro One and Loster, who writes for the racing column in the Winnipeg Free Press, has said that the Commission that has been chosen by this government to give them advice on this type of a bill don't know one end of a horse from the other and it's quite true. There's only one gentleman left on that board that has any knowledge of racing whatsoever. Of course, the gentleman that is the Chairman of the Board is a well-known bagman for the NDP Party. That's understandable, I guess.

So, the recommendations to the government from the Racing Commission are very, very crucial and believe me, Mr. Speaker, the racing industry are people that are probably more concerned and more articulate about their industry because it seems that when you own a horse it's something that is very, very, very dear to you and they are articulate and they want things done properly. I know what part of the horse the Honourable Member for Elmwood is. He displays it all the time. There's no problem about that.

Mr. Speaker, I would say without any doubt there is a problem at the track and the problem at the track is that the owner of the track is 100 percent controlled regarding his income. The Federal and the Provincial Governments have complete control over the income of the owner of the racetrack in the Province of Manitoba. He has no room to breath whatsoever. He is told how much he has to pay in taxes; he is told how much he has to pay out, all decided for him. Under the circumstances, the tracks do suffer very dearly and I would say that it is very hard for any government, this government and ourselves when we were government, to provide funds for a private owner of a race track, but I assure you that they do not make the money, and it's all available in the report to the Minister, that people think they make.

So, you do have a problem, in that if you don't have a good facility, people will not go out and bet. If you don't have a good facility, owners don't like to have their horses there and if you are, as I said before, taking too much tax, the government taking too much tax, betting goes down. So, you have to be very cautious what you do in this regard because the income to the province, not just in the income from betting but the income from the province in tourism that everything goes with that track, is very important to us in Manitoba.

Mr. Speaker, I think that there should be some areas and we did it on our side and I have a letter to the Commission, which I approved, that if the increased grants to the horsemen were made available to them that they would, if they so desired, put a percentage of that increase towards improvements at the track. That concerned the horsemen and that really is the con-

cern we called the back stretch, Mr. Speaker, and the back stretch is where there are washrooms, where the barns are, where the people involved that keep that racing going that the patrons go out and watch every day have to have facilities that are satisfactory to them.

So, I hope, Mr. Speaker, that the Minister or the government will be giving the Commission directions that they may — they don't have to, the money is theirs, but they may. I don't think that pressure should be put on the track to tell them to go and pressure the horsemen and pressure the breeders for their funds, but I think it should be made available or the knowledge should be made available to the people who are receiving these extra funds that if they choose to help the track upgrade the facility they are very involved with every day with their animals and the comfort of animals and the comfort of human beings out there which could be improved that they would have the right to do so.

Mr. Speaker, I would only sincerely say that I hope that the Commission that Jack Matheson refers to as not knowing anything about racing, not knowing which end of the horse to look at and the criticism of Harold Loster, when I say Harold Loster is very knowledgeable about racing, is not going to be true. I can tell the Minister when the previous commissioner of racing said he was resigning, he advised the Minister to have people who were experienced in racing take over the Racing Commission. This obviously has not happened and I hope it doesn't prove disastrous.

MR. SPEAKER: The Honourable Minister of Economic Development.

MRS. SMITH: Mr. Speaker, I appreciate a chance to comment on this bill and I also appreciate the thoughtful input from the member opposite. I can certainly agree with him wholeheartedly that people involved in the horse racing industry seem to have a particular enthusiasm and ability to promote their legitimate interests. I have enjoyed the representations that they have made individually and in groups to me and I feel a very strong commitment to the development of a healthy industry here in Manitoba.

I'd like to comment on just a few of the points he raised. The concern that if one raises the amount of tax that is taken out of the industry that one will have an immediate negative effect on the betting is particularly true with ordinary betting, Mr. Speaker, but it is less true in its impact on exotic wagering. Exotic wagering is a kind of betting where knowledge of the horses and the conditions, expertise if you like, is less relevant. It's more akin to a lottery style of betting and although it does add a great deal of interest to the people who attend the track, the research does not demonstrate that an increase in take out on that portion of the betting does have the same type of impact on the amount of the betting.

With regard to the new Commission, I can appreciate the feelings of people who spend their entire lives or a significant proportion of their time and energy involved in the horse racing industry, but I can assure all members here and the public at large that having an interest in the horse racing industry and being involved in it does not ensure that any one

group understands or is close to the concerns of other groups.

There are several actors, if you like, in the horse racing industry and in establishing a commission. Our prime concern was to appoint people who would take the role seriously of linking the public interest components of the horse racing industry with the legitimate concerns of the different components of the industry; the breeders, the horsemen and the track; as well as the betting public. I have confidence that the people we have named to that Commission are carrying out that task with great attention and competence.

I am very pleased to report that in the short time that the Commission has been operative, they have met with representatives of all the groups in a joint meeting and they are also setting up appointments tomorrow with representatives of the groups individually so that they can get both the group discussion and the individual interest group input. The commissioner tells me that the question of how the industry development levy is to be allocated is one that he has put to the groups. Now, they have not been used to looking at the problem from that co-ordinated position. They've been used to lobbying for their particular group. He tells me that the response of the groups have been most heartening to date, that the degree of consensus not complete consensus because it would be naive to expect it, but that the degree of consensus achieved in the early meetings is quite remarkable. There is a strong prospect that the recommendation that will come through will have very strong support from all the major groups. So, I do assure the sports writers and the members opposite and people interested in the horse racing industry that I am getting very positive response from the people who are appearing before the Commission as well as from the people on the Commission who feel they are making very constructive advances in solving the problems.

With regard to the track owner, we recognize that the track owner is a third major party in these negotiations, so their concerns, particularly the need for improvement in the back stretch, is part of the current consultation. There's also an unknown factor as yet, in that there may be Federal changes in the law that will permit take out that will give more return to the track later in the year. It may be a final determination on how these levies are to be allocated, may have to either wait that development or a portion of the allocation may have to wait, but I assure you that the commission are quite capable and willing to spend the time analyzing the industry and coming up with a fair recommendation.

MR. SPEAKER: The Honourable Member for Tuxedo.

MR. FILMON: Mr. Speaker, I just wanted to make some very brief comments. In view of the fact that I too have had some discussions with horsemen in Manitoba who are concerned about the eventual disposition of the proceeds from this additional tax that would be levied on certain types of betting in Manitoba, and although the Minister of Economic Development has spoken in terms of a variety of options, there is a concern that certain pressures can arise that will limit the options and that will force certain deci-

sions. I'm sure that the Minister is well aware, in terms of economic development, of the substantial amount of capital investment that many of those involved in the horse race industry in Manitoba do have, particularly the horsemen who whether they're involved in breeding, ownership, training or what have you of horses have normally a substantial capital investment in land, auxiliary buildings, equipment and so on, if not the horses themselves. I believe that the horsemen are concerned that the government, through this Minister's department or indeed through the Racing Commission, do define just what they intend with respect to the eventual disposition of this additional tax. Is it intended to go directly to the horsemen for additional use on their part to stimulate further the horse breeding and ownership industry in the province or is there some other intention on the part of the government? If this Minister of Economic Development or the Minister of Finance, under whose jurisdiction this bill comes forward, could bring some sort of response on that matter to Committee, then obviously we would be in a better position to consider the effects of it and the advisability of this tax measure at that time.

QUESTION put, MOTION carried.

MR. SPEAKER: The Honourable Government House Leader.

MR. DESJARDINS: Mr. Speaker, I propose to move that we dissolve into Committee of Supply, but before that I wonder if I could suggest that you adjourn the House. There has been an understanding that we will not have a Private Members' Hour and that there is a possibility that one Committee anyway could finish before 12:30, so it might make things a little easier if we could adjourn the House with the understanding that we will go in Committee until 12:30. —(Interjection)— You can take it in Committee; you can ring the bell, that's all.

MR. SPEAKER: Would it suit the convenience of the House if the Honourable Government House Leader were to move the House into Committee and to adjourn the House at 12:30?

MR. DESJARDINS: I'd like to move, Mr. Speaker, seconded by the Minister of Highways, that Mr. Speaker do not leave the Chair and the House resolve itself into a Committee to consider the Supply to be granted to Her Majesty.

MOTION presented and carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Flin Flon in the Chair for the Department of Agriculture and the Honourable Member for River East in the Chair for the Department of Economic Development and Tourism.

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY — ECONOMIC DEVELOPMENT AND TOURISM

MR. DEPUTY CHAIRMAN, Phil Eyles (River East):

The Committee will come to order. We are on topic 1.(b)(1) Executive Salaries.

The Member for Sturgeon Creek.

MR. JOHNSTON: Mr. Chairman, I'd just like to follow the line of questioning that was being carried on last night and I would refer to the Minister's statement that the present government is looking for long-term investment in the province that will bring long-term advantages to the people of the Province of Manitoba, and I refer to the Alcan Plant.

In the conditions on the Alcan Agreement the word "ownership" was used and it was also stated that the Plant or that Alcan would be paying for anything they received. That is true, but it's not ownership that they would be paying for. The Manitoba Hydro would own the power plant. The Alcan Company would pay their portion towards the construction of that Plant and that portion is for the amount of power they would be using. If you pictured a power plant that may have 10 or 12 generators in it, Alcan would require the use of approximately two generators to have 400 megawatts of power from them. It would not be unlike them being in a condominium. The power plant would be owned by Manitoba Hydro; that power plant would pay the water rates that would be decided upon by the Lieutenant-Governor-in-Council or the government of this province. They would also pay their way, as far as maintenance is concerned, and I believe they would pay — and I use the word, believe — some costs towards transmission, etc.

When they say they would pay all those maintenance costs, they would pay up front, which was estimated to be about \$600 million towards the construction of that plant, which would take it off the backs of the people of Manitoba. Just calculate the interest on \$600 million that the people of Manitoba would not have to pay.

The reason for them wanting that requirement is because 40 percent of the cost of manufacturing aluminum is hydro power and they are spending to build a refinery in 1981 dollars, they estimate at the present time, about \$850 million; \$850 million, which would mean in construction jobs approximately no less than 600 and 600 permanent jobs. If somebody is spending that kind of money, I don't really believe that would be a short-term investment for the people in Manitoba, for the people of Manitoba, nor do I believe that they would want to pick it up and move it tomorrow under those circumstances.

The question was raised regarding the location of the plant and the previous government did not get involved. There is nothing further from the facts. The previous government allowed Alcan, or not allowed, they're perfectly free to do so in this province, to make extensive presentations to many, many areas of the province, and in return there were many extensive presentations by cities and municipalities in this province asking Alcan if they would locate in their area. Alcan had a problem in that the Plant, the plant that would be like the Grande Baie Plant, must be built on a firm foundation from the point of view that they cannot go into too much excavation. The plant is too extensive so they must have a rock formation within the province that the plant can be built on.

This was all carried on during a close to a 3-year

period. The Department of Economic Development were the first department to work with Alcan and when the time came for them to go into negotiations regarding the requirements of power, Mr. Craik took it over as Minister of Energy and it was advisable then that a committee led by Mr. Craik would handle the negotiations regarding the power supply, which was very understandable, and as mentioned, he used many consultants.

Alcan came to the Government of Manitoba and showed us six places where they could conceivably build a plant because of the rock formation. They took into consideration the railroads; there are two railroads in the area that they chose. They took into consideration the power lines that were coming down to the plant. They took into consideration the infrastructure that would be required for the municipalities around them and it was one of the best in that there were many good sized towns in the area that had schools, and it wasn't a case of having to build a new town, it was a case of having to expand the facilities within those very good towns that we have in the Province of Manitoba, and that people would be spread out in different areas and there would probably be enough schools, probably enough, but there may have had to be more. The towns themselves that would have the increase in population would increase their tax base.

Now we have an \$800 million refinery in a location that was worked at very thoroughly, and when it was presented to the government, we said, well, all six, we don't have any real concerns regarding the six and I think that you have to go back to your Board of Directors and have them decide or tell us where they would like to go. That's exactly what happened and they informed us that they wanted to go in the Balmoral area.

Mr. Chairman, the plant itself, in that area, would be a tremendous benefit to all people concerned and it was suited, that particular area, as it would have suited any one of the six others; it suited that area.

Mr. Chairman, the Alcan, if anybody wants to take the time to read the Winnipeg Construction Association Report, where there was a speaker from Alcan there, he said there would be 190 carpenters, 300 electricians, 230 steel or line workers, 60 re-bar workers, 80 boilermakers, 70 pipe welders for a total of five million man hours of direct on-site employment in that plant — \$881 million and they believe, in fact they estimate that 60 to 70 percent could be spent in the Province of Manitoba. This article confirms, from the construction people of Manitoba that were at the meeting, that they could handle that type of work.

Alcan would consider using the same process for calling tenders as they had in the Quebec smelter by breaking the total job down into smaller packages allowing local contractors to have the opportunity to tender. For example, in Quebec, 32 foundation contracts had been awarded with a combined value of 43 million. Also, a total of 18 electrical contractors to the total of 9.3 million.

Mr. Chairman, the statement that the overall long-term advantages for Alcan might not be there, I assure you is there. I can also assure you that the spinoff to the businessmen within this province, small business within this province, would be enhanced by the tune

of 60 to 70 percent of \$850 million worth of construction. They would probably, and there is no doubt in my mind, that they would have to purchase maybe some equipment to handle some of this work, and that equipment would lead those small companies into the position of being able to quote on other larger projects that would take place in Manitoba or throughout Western Canada.

Mr. Chairman, Alcan has made the statement that they have to increase, they have to build, according to this, four or five more smelters the size of the one proposed for Manitoba. They would require four of those within the next 20 years and for the Minister who's in charge, the Minister of Energy, but the Minister of Economic Development is on this committee, to even suppose that this can be held up because maybe the aluminum market is down, is absolutely wrong. Alcan produces aluminum which is a product, a light weight material, which is going to be in demand for all kinds of reasons in this country and internationally in this world for a long time. They have to increase their production and they will.

Mr. Chairman, the plant in Grande Baie is just a massive plant. The scrubbing materials or process for clearing up emissions cost \$90 million. In the Arvida plant, the first one that was built by Alcan in Canada, they collected approximately 52 percent of emissions when it was built. They increased that to about 73 percent. They can't get it any better because it's an old plant. In the new plant they estimated that they would collect 94 percent of emissions and that since it's open it has collected 96 percent of emissions coming from that plant. Of course, Alcan wants to have a large piece of land around them where they have cattle; where they grow flowers; where they grow vegetables and they test them all continually. The Minister has admitted or not admitted, and I very sincerely appreciate the fact that she thinks that the environmental problems can be overcome; they have to be overcome because if they don't meet the specifications of the Province of Manitoba, not even I would want to see it built.

Mr. Chairman, the Alcan project from the point of view of long-term benefit to the people of Manitoba, I think is what the Minister has been saying that she wants to have in this province. Mr. Speaker, the indication that Alcan should build in this province some production for aluminum is just not the thing to be negotiating at the present time. You are dealing with the Alcan Refinery Limited who produces aluminum ingots to supply to manufacturers to produce aluminum products. If this government believes that somebody is going to pick up a \$25 million, \$75 million or even a \$100 million dollar plant and put it in Manitoba to produce pots, pans or whatever may be produced from aluminum, you've got another thing coming. Nor are they going to build another plant, if the plants they have at the present time have the capacity to supply the market. So, that is dreaming.

The job of the department is to go and find people, go and find people that need aluminum and if they want to be near the smelter, so much the better. But, to say to the company if you're going to produce ingots here, you have to produce other products here, you are dealing with two different companies. They are the same but there's Alcan Refining and there's

Alcan, I'm not sure what they call the other part of the corporation.

Mr. Chairman, the Alcan Corporation is a Canadian Corporation. Sure, they have ties and very large holdings all over the world, but it is basically a Canadian Corporation. To say that we should be now starting to turn to look to others is sheer nonsense. That's my opinion, I guess, but it's sheer nonsense. We did have conversations with other people, but when we approached Alcan they said they would come to Manitoba and they would do a survey. They would find out if it was economical to produce ingots in the middle of Canada, the first inland aluminum smelter practically in the world. They came and they did their studies. They found out they could bring alumina to that plant, economically to Manitoba. They found out that it would be a good area for them to be in and mainly because we have the power. They moved ahead; they said we will do these studies; they worked with the government; they were the aggressive people; and they are probably one of the two, they are one of the two largest producers of aluminum in the world.

Take a look at the percentages of aluminum produced by other people other than Alcola and Alcan. So, what was wrong with moving forward with a company who was aggressively interested and sincerely interested in the Province of Manitoba, and to say that the scale that was referred to last night regarding charges is not right; fine, if you want to renegotiate with them so much the better. But to hold up or even consider holding up the negotiations with Alcan on the basis that you don't want them to own an aluminum plant doesn't hold water, a power plant doesn't hold water, because they don't want to own one.

You have said that they have different arrangements in different places — the arrangement of taking \$600 million off the backs of people of Manitoba is not a bad arrangement. The other silly argument that we can't negotiate unless we approve or like the aluminum company's advertising is a sheer admission that the Minister of Energy is not capable of negotiating under those circumstances. It is ridiculous to have this program held up in any way, shape or form.

The Province of Manitoba at the present time has lost a lot of its transfer payments. Your economy is down and your tax dollars are going to be hard to come by. There is no other way, as my colleague from Tuxedo said last night, that we are going to have income in this province unless we have good investment and I can't see anything wrong with investment and neither can the Minister, according to her statement, that is going to be here for probably 100 years. Maybe that's over exaggerating. And a 35 year agreement to have a \$800 million spent on a refinery that will create the kind of benefits to the people of Manitoba, small business and everything etc., is what you're going to have to have or you won't be able to build those houses.

I might just correct a statement I made last night; I said we built more public housing in Winnipeg in four years than the previous government did in eight. I correct the statement by saying we built more public housing in the core area of Winnipeg where it was needed in four years than there was built in the previous eight years. So you won't be able to have those social services, you won't be able to move forward on

that unless you're prepared to become just a tattle-tale province that's going to run around holding the coattails of the Federal Government and begging for them day after day.

This province has to move to start to become more independent and with the project such as Alcan; the project on the western side of the province, the potash one; the project on the Power Grid which the Minister of Energy gets up and states that it wasn't considered by Cabinet. Quite true, but I would doubt if any Minister in any province who was in negotiations with other provinces that was putting forward a presentation to their Cabinets would have to have some feeling that these were going to be considered by the Cabinets very sincerely and I assure you that that's the way that the things were done on all parties; even the Premier of Saskatchewan said that it was very close.

So what were we looking at we were looking? We were looking at three hard, tough years of negotiations. It wasn't done overnight. We would have had potash, and by the way the potash would have been the Potash Corporation of Manitoba, with the opportunity to start with 25 percent, the government owning 25 percent, with the option to buy up to 49 percent. Is that not government in joint venture with business? What is wrong with those type of negotiations or are we going to sit back and take the same attitude with that one as we are taking with Alcan that maybe the aluminum market is down. Well I assure you international minerals and chemicals and potash companies are looking for the future. They're not sitting around waiting for the next two or three years, and if we are going to sit back and let Saskatchewan sell their potash while our stays in the ground, this government will be making a very great mistake.

So what would we have? We had the aluminum in the centre of Manitoba; we would had the potash in the western part of Manitoba; we had the Power Grid starting to move forward; we had the work being done on ManFor. We weren't putting a bunch of smoke stacks in one area; we had spread the economy out through the whole economy of this province, which would have come to a total of \$3 billion dollars to be spent, which would have to have a spinoff that would take this province out of being a shirrtail province following the Federal Government around. I repeat, if that doesn't happen you're not going to have a very good economy. You are just going to not be able to have the money that you spend.

So, to really say that we have to do a lot more analyzing, I can buy that, but I say to the Minister of Economic Development, if you're going to be the leader, leading department on the economic development of this province, don't sit back and let the other Ministers tell you that this is going to take a lot of time. You go in there and tell them to get off their butts and get it done, because Manitoba at the present time is in a situation that if it's not done, your government or no other will do anything about it because that's the position we're in at the present time, and you will give your department the opportunity to go out and work with people to say that Manitoba is growing.

I refer to your Prospectus. It has been tabled in the House and I won't dwell on it because the Minister knows it has been dwelled on by the Leader of our party very long. This Prospectus says you are working

on the potash; you are working on the Power Grid; you are working on Alcan. It gives the impression to the people that loan you money that those things are going to happen and they obviously aren't happening. They are obviously slowing down and if it slows down too long you won't pick it up in a year from now because Alcan has said, and I'm sure International Minerals and Chemicals will say, even though the markets down we can't wait too long because we have to increase our production to take care of the world markets that we estimate will be there in the next 75 years.

If this government wants to take those negotiations, that have gone on before, lightly, they're making a very grave mistake. They were not taken lightly. Alcan has taken everybody from the Balmoral area that wants to go to see the plant. I personally have seen the plant; I know what's there and what can happen. Those of you who haven't seen the plant, if you stand on the front steps of this building and look down to The Bay, that's how long it is, and it's wider than this piece of property, and it's clean and it's beautiful. In fact, I would suggest to all of you here that if your Minister asks Alcan to take you down to see it, go, because you'll know what they're planning to do with this province.

So, Madam Minister, I can only try to impress on you the importance of the development of this province; the importance of investment to this province; the importance of having the type of investment that you have said you want, long term good investment that will in the end help you have the social programs that you want to have in this province. Why don't you move ahead with it? Why don't you move ahead with it, because it's possible?

I firmly believe and Alcan has never said it, but I have dealt with them long enough that in my opinion if the negotiations can be finished with Alcan, they will build in Manitoba.

The Grande Baie Plant came onstream last year. It took four years to build. They started to build it in 1977. The plans to start building it were in 1972. They got slowed down a little bit because of the aluminum market, but they never ever stopped, but I never ever did say that they weren't going to build it, and if Alcan says that we want to build a plant in the Province of Manitoba and we're prepared to take care of all the environment situations that come up, which I think are basically the most important; and if they want to be a renter in one of our power plants and they'll pay \$600 million for that privilege, let's stop fooling around with it. The people of Manitoba deserve to have that type of investment so they can be a people that have their own damn tax base that's good enough to be able to support this province without going on their hands and knees to the Federal Government every day.

MR. DEPUTY CHAIRMAN: Madam Minister.

MRS. SMITH: Mr. Chairperson, I sympathize with the energy and obvious caring that the honourable member shows for a project that I know he's invested a lot of his own time and interest in energy, and I do respect that honourable member. I think, however, that you haven't heard the message that we are delivering. I haven't heard any of us say, don't deal with

Alcan. I think what we have said is give us time to make our own analysis so that when we come to negotiate a deal with Alcan, we will have a provincial framework from which to operate. We will know what we need to charge in over 35 years in order to get a good return. We won't be at the mercy, if you like, of the company's data. They're naturally going to calculate the maximum profit from their point of view. They would be foolish not to do so. In a negotiating relationship each side should do that; start with their preferred position so that they get the maximum benefit from their point of view; Alcan to maximize profit, the Province of Manitoba to maximize the benefits to the people. Then when they have their positions defined to themselves, they sit down and see what kind of a deal can be worked out.

That is the stance that our government is in. We're not anti-Alcan; anti-development; anti-investment, but we inherited a set of data and approaches that were not coherent; that weren't thorough; that had some assumptions that we disagreed with and it would have been irresponsible of us to buy them in our impatience to get an investment program that might not have been as beneficial as was being presented.

On the question of pricing or the ownership question, if I can try and keep these in order; the question of the ownership or not of a hydro dam, I think when the project was initially presented the partial-ownership concept was put forward. As the negotiations or perhaps the public response developed, I agree that the position was changed to a right for a period of time to the power developed by a dam rather than ownership, in exchange for which there would be input and the capital investment; so far not an impossible relationship and one that we're still examining quite sympathetically. But the question of price becomes fundamental here. Thirty five years with inflation at the rate we're having it now, if you compound inflation at the rates we're having now and we don't know what's going to happen over 35 years, if we enter into any kind of rate agreement with a company like Alcan without having carefully worked out the formula, we would be foolish.

Now, you suggest that rates were discussed, but we weren't satisfied with the formula that was being proposed, because we didn't think it gave adequate protection to the people. We had been told from our British Columbia friends that they hadn't found the 30-year agreement with Alcan that they had entered into had worked out to the public benefit; quite the opposite — they were in effect selling a very precious resource, hydro-electricity at a bargain-basement price that got more and more shameful, a low disproportionate as the years went by.

Now, I suppose harking back 30 years or more, we can't be too critical of the people who negotiated that agreement. Inflation was not occurring at anything like the rate we have now and knowledge of the long-term effects of some of these investments wasn't as great; the state of the art, if you like. We don't have that excuse. We know that some of these agreements have had long-term bad effects and we didn't want to in the interests of being responsible to the people of Manitoba, get out ourselves into that kind of an agreement without taking time to plan.

When we've talked about the changing international situation, I don't think we've ever said because the price has gone down today, Alcan doesn't want to build. We know they need something like eight years lead time before they get a plant onstream and producing, and they're doing the long term forecasting the same as we are.

What it did do though was reduce the immediate urgency on Alcan's part to start up right away. That was fortuitous from our point of view, because it meant that the time we needed to get our work done happened to match the Alcan situation too.

Now, publicly they would say that they wanted to move ahead because they had a very good deal for them. But, they were not averse to stretching out the negotiations longer because of the depressed world situation. I think they, as an international company of great repute and skill and expertise, actually respect us as a responsible authority who are willing to do our own analysis and then bargain from equal positions of strength. So, I submit that the policy we are taking on the Alcan is the responsible position and a very hard-headed position.

We can't help but be nervous because of the history of CFI. I know last night people said Saunders Aircraft, King Choy Foods and so on. Okay, we've had a history in this province of some difficulties when we're dealing with outside investors or local investors or public investment. We want to learn from all of those mistakes and make sure we don't repeat them. We know that in the CFI case, that in the eagerness to get big investors, rapid development, a bad deal was consummated; a really rotten deal for the people of Manitoba. Now, we don't want to without pointing fingers as to who shared total responsibility, what we do want to do is say we're not going to, to the best of our knowledge anyway, repeat that kind of mistake and careful thorough planning is the one way that we have to prevent that kind of unwise deal.

With regard to the location, I respect Alcan's need to have a rock base, but it doesn't take too much knowledge of the Province of Manitoba to know we have a heck of a lot of rock very widely dispersed. Of course Alcan would want to go where the transportation costs and all are minimal. I respect that, but we have a right to look at the transportation routes and the rock locations as well as look at where the areas of employment are and make sure that there might not be another location where we, by using some of our negotiating strength, could manage to alter that location without pushing Alcan into a situation where they'd have an uneconomic deal. They have quite a wide range of viability, if you like, in their negotiating position. Certainly the long-term reliability of power source is more important than the absolute lowest price. So we have negotiating room in terms of the price we charge and I think in terms of the location we would be foolish not to take a fresh look at that.

The honourable member said that his government chose, after encouraging Alcan and the local municipalities, to explore all the possible sites and acted responsibly. Well, from their perspective I think they did. I think that public involvement was excellent, but I submit when the final choice came down that the government chose, for its own reasons, to play a neutral role. Now the fact that we are not committed to the

neutral role, I think it's a legitimate difference of opinion. I think that's all we can say about it. You chose to be neutral on location, we choose to at least put it on the table. That's not saying that in the final analysis that we would dictate and say no deal unless you go up in the northwest corner of Manitoba. No, we're just saying it's one of the issues we want to look at and see what kind of bargaining room we have.

Environmental concerns: our contention was that if you're going to be serious about social and environmental concerns, you have to look at them before you make a decision about power and location. Not only do you have to have a full analysis, you have to involve the public and admit outside groups with information to table. You can't rely only on Alcan information and I'm not saying that the previous government were only going to rely on Alcan government, they had quite an extensive social-economic impact study outlined and I've read it in detail. I basically like that, I think that if it was going to be an open process and if sufficient support was given to groups that perhaps wanted to make a presentation so that only the well-to-do groups were not in a position to make presentations, that process could have worked quite well and still, I think, will be put into place. But I submit it was the sequence of decisions that was disturbing us. If you've decided to go ahead, and maybe I'm misconstruing what the policy of the previous government was, regardless of that our approach is that we have to resolve the environmental concerns first. Then if they're clear and we're satisfied that it's a benign type of development, then and only then do we go ahead and make agreements on the other issues.

I also appreciate the almost desperate feeling that the honourable member has about dependency on this kind of investment, because in the approach to economic development that was dominant in his government, and I think it still is with his colleagues; it's that private investment is the main engine, if you like, or motor of economic development. We aren't denying that it's an important one, but we are saying it is not the only one; that there is also a kind of community-level-up style of economic development assisting local entrepreneurs to expand and become modernized and to link up with what's already in the province that in the cumulative effect, each project taken alone can look small and insignificant, but in the cumulative effect of creating jobs, of replacing imports, of generating exports, can leave as much benefit to the province as a big mega project.

Now we're not saying that large projects shouldn't also be included, but what we want is the detailed analysis in comparison, so that when we put public money in or make deals with the public reserves of the province, we're doing it with the confidence that the maximum benefit is accruing to the people of Manitoba.

I think my final comment on the presentation is that speed of development, especially when we're dealing with resources that are not in unlimited supply, I know we tend to think of our hydro-electricity, because water is a renewable resource we tend to think of it as being in great supply and that somehow the faster we develop it the better. There are some advantages in developing it soon because instead of it running off to the sea we can get some benefit from it. There are also

limits to our hydro-electric potential. There are going to be future needs we have for heat and development of our own kind of industry here in the province and if we tie up too large a proportion of that too soon, before we've done the long-term projections and comparisons, we can be acting irresponsibly.

Now, it may be by the time we've completed our analysis we'll say the Alcan project or a project by another aluminum company, because it's not the only one in the world, there are other companies that are in the value-added end of the industry as well and can add jobs and value to the economy of the province; that it will have an important role in the provincial economy. As I said, because we are thinking long-term and looking at the full range of opportunities there are possibilities of auto parts which will increasingly be made out of aluminum, that this could be a reasonable location in North American context for that kind of development. So far from being closed to these kind of large and important developments, I think we are very, very open to even a wider range of them, but we did not feel satisfied that all the essential components had been well enough researched and thought out that we felt confident in going ahead quickly.

MR. JOHNSTON: Well I submit, Mr. Chairman, that the components were thought out; I was part of them and maybe this government doesn't think that the members of the previous government had the brains to do it. I don't say that the Minister is saying that, but there seems to be some indication that it was done slipshod. It was done over a three-year period and if you're going to have the chicken and egg theory about the environment first, sure we can talk about the environment, but I assure you before you could even look at it, Alcan had to do many studies to see if it would be viable to come to Manitoba as far as bringing alumina to the centre of the country.

Those studies were all done very extensively. When you say that there are other places with rock formation, other than the north, they're not the easiest to find, and when they came to us with the six and we said let your board make a decision and they made the decision to go to Balmoral area; where in Manitoba, other than the north, is there more need for industrial development than the Interlake? The Federal Government recognized it with the ARDA Program. There is no area in Manitoba, because if you take a look at Manitoba it has an angle from the corner up to Swan River which is agricultural and that agriculture does not sit well or does not — well, it's not a big agricultural area other than cattle. The Interlake needs everything that can be done for it and Teulon, Stonewall, Selkirk, all of those towns up through that area and those municipalities — somebody was supposed to say you made the wrong move by going there and you're going there because you want the transportation that is required to have it economical, because the power line will be coming down very close to you. We were to say that it's a bad place to go, when it was probably one of the best places it could go as far as helping the economy in an area of the province that has been recognized as needing it for years.

Mr. Chairman, and I say to the Minister, don't use up your resource too fast. But if anybody has done any

preliminary studies on our hydro — in fact, there's a map, I used to have it on my wall in the office the Minister now has, that showed there were 5,600 megawatts of power in place in the Province of Manitoba. It also showed in white the power plants that could go there. They don't have to be decided where they're going, that's been planned ages ago. We know, we don't have to do that. We know where they can go. Six thousand more megawatts. That's close to 12,000 megawatts of power, and Edison, that supplies the whole New York and eastern seaboard of the United States, supplies about that much.

Do you realize that we have the capacity to do that in Manitoba? All of the industry and everything that's down there; we have that capacity on the Nelson.

Alcan wants 400 megawatts in a power plant that would be owned by the people of Manitoba; 400, that's four percent of the power on the Nelson to have the investment they are speaking of and to put in the investment they are speaking of. Good deal for them? What about the good deal for the people of Manitoba that will be working and having cottages at the lake and enjoying life because that's one of the things that will help them do it?

They may be moving back, Madam Minister, in their plans, but if you keep pushing them along, and I sincerely hope that you don't have somebody start bidding because they'll outbid one another to the point where profit will go to neither and nobody will have it. There comes a time when you say, we're not dealing with three, we decided we're dealing with one. I would be willing to bet if the consultants that we hired to work on this — and there has been something stated about the fact that we used consultants — I assure you that within this government there is not the expertise that some consultants have.

MR. DEPUTY CHAIRMAN: Order please. We have an option here. We can adjourn and return, or we can move that committee rise. There are 15 minutes left.

MR. JOHNSTON: Maybe we can sort of let the bell ring for about 15 seconds and then move committee rise, and then I think the next time we come down, we can move off this item very fast.

The consultants — there is no expertise within the government to give you the information you require to have, or that you say you require. We knew that and we got the experts from all over to advise us. That information is available. The negotiations with Alcan can come to a conclusion fairly quickly if they're as amenable as I know they are and you know they are, so why not get it done?

MR. DEPUTY CHAIRMAN: Committee rise.

SUPPLY — AGRICULTURE

MR. CHAIRMAN, Jerry T. Storie (Flin Flon): Committee come to order please. Is there any further debate on the proposed motion by the Honourable Member for Minnedosa, seconded by the Honourable Member for Arthur?

The Honourable Member for Roblin-Russell.

MR. J. WALLY MCKENZIE (Roblin-Russell): Mr.

Chairman, I just would like to put a few words in the records in support of this motion that has been presented by my colleague, the Member for Arthur. After listening here for the last two weeks to the Minister go through the 42 or so million dollar spending Estimates, I am most concerned about the manner in which the government and the Minister and the Minister of Co-op Development have handled the plant closures at Rossburn and Pilot Mound. There is a clause in the resolution supporting my view on that opinion.

I was somewhat concerned this morning, Mr. Chairman. I would raise the matter if in fact since the employees at these plants had offered to take a reduction in pay to get the plants open that the Minister of Agriculture or the Minister of Co-op Development, to the best of my knowledge, haven't seen fit to call MANCO or the Dairy Commission or these employees who in fact offered their services, that they haven't taken the initiative to call them in and have them sit down around a table and see if the plants can be opened.

Spring is with us now. The dairy producers in my constituency that serve the Rossburn Plant are most concerned as I stand here and I'm certain it must be the same conditions apply at Pilot Mound. There is a dairy industry there that's been stable for decades and it sits today wondering what the future holds for it in this province. Food products, food at its best, excellent cattle, well-managed dairy farms and the creameries are closed.

So, I don't think in supporting this resolution and the reason I'm supporting by the Member for Arthur, I don't think the government has done half enough to go out and work with the people in Rossburn, the dairyman, the Manco people, resolved the disputes if any, but nevertheless since the workers have offered to take a reduction in salary and I think that's a very positive step, I am most concerned that little or none has been done as I can understand it from going through the Estimates to try and get those plants opened. So I, very briefly and very quickly, will be supporting the resolution that was put before the House last night that the Minister's Salary be reduced to \$50, the same as he's prepared to pay on a cow basis to the beef producers.

There are other facets of the resolution that other members will deal with, but the one that I am most concerned for and I'm addressing this morning is the shoddy manner in which the Minister of Co-op Development and the Department of Agriculture and this Minister has flittered the time away and those plants are still sitting there idle and I wonder now if they'll ever open again. I have no assurance from anybody that — the concern I would thought that immediately when the employees offered to take a reduction in pay at least of the Ministers, the government would call them in and say, "Put it on the table, let's see if we can make it work." Unfortunately, that hasn't happened. So, therefore I will be supporting the motion that's presented in the Minister's Salary by the Honourable Member for Arthur.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, I regret not having been present yesterday when the motion was placed before the committee that deals with the Minister's Salary. I must say, Mr. Chairman, that having personally based a similar motion of reduction in my case, it should be noted, it was down to 98 cents. The members of the New Democratic Party and the Liberal Party at that time felt that my services were worth 98 cents in 1966. I guess inflation has intervened in the intervening years and what with the kind of announcements that we heard this morning, it's understandable that the reduction should be down to \$50.00. Of course, Mr. Chairman, I should not make light of it. There's a pointed message in the resolution, namely having to do with this Minister's and this government's resolution of the serious problem of the beef industry, that particular figure was contained in the resolution.

Mr. Chairman, I want to avail myself just in a few moments to speak to the Minister's salary, as is the tradition and practice in the House, to indicate to the Honourable Minister that he has chosen to embark on his career as Minister of Agriculture in the Province of Manitoba in a very dubious way. He brings to office, Mr. Chairman, certainly experience both in government as a former Minister, experience in Cabinet, experience as an MLA for a number of years representing an agricultural community, an agricultural constituency, which normally should augur well for the Minister in his important role of the Ministry of Agriculture.

Mr. Chairman, I would hope that the Minister would take cognizance of the fact that the agricultural community, particularly in Manitoba, is a very diverse one. One only has to look at the numbers of organizations that represent farm interests in Manitoba. They have chosen of their own accord, Mr. Chairman, to organize themselves under the broad and all-encompassing organization known as the Manitoba Farm Bureau. The Manitoba Farm Bureau does speak, not with a single voice, but it does encompass to the extent possible the farm interest, agricultural interest in the Province of Manitoba. Whether they are growers of livestock; whether they are growers of specialty crops and of course the main organizations, the grain producer organizations as well, are all represented in the farm organization known as the Manitoba Farm Bureau. I am disappointed in the Minister of Agriculture for not taking cognizance of that and by allowing himself repeatedly, as is the case in the matter of appointments to farm boards, to what I can only describe as an undue bias, an undue prejudice, in favour of one farm organization that happens to be more philosophically in tune with the thoughts of the Honourable Minister and of the New Democratic Party. I don't see anything particularly wrong with it. The National Farmers' Union is essentially the rural wing of the New Democratic Party, both provincially and nationally. That has been the case in the past and continues to be the case and there's nothing wrong with that, Mr. Chairman. But, Mr. Chairman, the National Farmers' Union, for whatever reasons, represents a very small minority of farm interests in this province and in the country as a whole. I suspect that in this province, the actual figure is in the neighbourhood of between 3 and 5 percent and I think I'm being reasonably accurate in making that statement.

If we talk about a membership of 800 to 1,000, whatever it is in the Province of Manitoba, then we're talking out of a body of some 30,000 active farmers, a percentage figure of 3 to 5 percent that the Farmers' Union group represents.

So, Mr. Chairman, the Minister should not take offence when we find that on various agricultural boards two or three out of five of the broad area of interested and responsible people that he can find to staff the various boards, that it seems invariably that the National Farmers' Union occupies a prominent place in the placement of these boards. Well, Mr. Chairman, that's the Minister's choice, but the Minister of Agriculture will soon find out as he carries on in his career that it is absolutely essential for a Minister of Agriculture in the Province of Manitoba to talk to, to at least listen to if not always accept advice from, the broader sector of the farm community. Both in the manner and way in which the beef plan was put together; both in the manner and way in which the Minister is choosing his farm appointments; both in the manner and way in which the Minister is speaking in this Chamber indicate that is not happening.

Mr. Chairman, farmers in the Province of Manitoba have traditionally looked upon their Minister of Agriculture in a very proprietary way. There is a very close relationship between the individual farmers, the farm community and the Ministry of Agriculture. I suggest even more so than in some of the other departments. I suppose you can say that about all departments to some extent. You can say the same thing about the Department of Health and the various health components, but I suggest to you not in the same way perhaps because the problems are different or perhaps just because of the nature of the people, but the farm community has always looked at the Ministry of Agriculture as being very much their Ministry of Agriculture whether it's a job that the home economists do or the 4-H leaders do with the farm children, with the rural youth of Manitoba, in supporting their various undertakings; whether it's the job and the role of the extension branch and the role of the extension representative in the help that it does far and beyond just the immediate agrologist's advice that is being given from time to time to individual farmers or to communities, but just his presence, his being in a community, has always identified the Ministry of Agriculture in what I call a more personal way, and the farmers have responded in a more possessive way about their feelings about the Ministry of Agriculture and the Minister of Agriculture. I sense that the Minister of Agriculture under the present administration does not acknowledge or does not appreciate that sense to the extent that I think he could, the extent that it would be extremely helpful to him in carrying out his responsibilities as Minister of Agriculture. Mr. Chairman, he does so at his own risk and at the risk and expense of his party by taking that position.

Your problems associated with agriculture are such that usually, in all too many cases, are above and beyond the partisan problems or issues raised by politicians involved. The farmer to a greater extent than anybody else is subject to environmental factors, to the weather. The farmer in Manitoba to a greater extent than anybody else is subject in terms of his immediate return, his income, to worldwide interna-

tional factors that can determine his share of the economic pie, if you want to describe it in such a way; much more so than the average industrial worker who can be affected overnight by a statement as was made by the Minister of Labour just this morning in this Chamber, which guarantees to those lucky with a job — there maybe fewer of them — but certainly to those that are currently working on the minimum wage, they have just been noticeably affected by about 14 percent by a simple action by a simple statement made in this Chamber by an action taken by this government.

At the same time that those kind of actions can be taken and can affect other workers and persons employed in our province cannot be applied to the farm community. The farm community listens with bated breath every time the Wheat Board announces initial prices and they can be 10 percent or 15 percent lower than last year's despite the fact that all their cost, their implements are up. The Minister of Agriculture knows all this. The hog producer, the beef producer, can from year to year see prices rise and fluctuate that have a very significant effect on his income. So, Mr. Chairman, for that reason the farm community takes a little different attitude towards their politicians, their Minister of Agriculture and I have sensed in this particular Minister of Agriculture a failure to respond to that position that has historically and traditionally been the case in Manitoba.

Mr. Chairman, I don't take the action lightly of voting to reduce a Minister's Salary at any time. I think anybody that has had the opportunity of serving the people of Manitoba in that capacity would have to say that because I'm prepared to acknowledge that in most instances the effort, the workload, the responsibilities are such that the normal remuneration that is set aside for a Minister, you know, should be passed without too much difficulty. But when a Minister such as the one we have today has in this, his first presentation of Estimates, raised as many questions in the minds of so many different people involved in the farming community we have no alternative, Mr. Chairman, but to use this traditional method, show our displeasure at this Minister and hope to try to get through to the Minister that some of his utterances — he may wish to take them as being out of context or not being fully understood — but he can never convince me as the one who perhaps precipitated the last little outburst and controversy with respect to land ownership about what his true thoughts and positions were on the matter. It was in a discussion that I undertook with him and I didn't charge him with anything, Mr. Chairman. I simply raised the question about the relativity between land ownership and productivity. It was the Minister, admittedly from his seat and therefore not recorded in Hansard, but I recorded it several times, the Minister chose not to correct it. As I say, I wasn't here yesterday so maybe that record has been corrected. —(Interjection)— Well, okay, Mr. Chairman, I'm pleased that in my absence that has come firmly on the record.

"What does ownership have to do with the provision of food?" says the Minister of Agriculture. Mr. Chairman, I suppose and you see what really grieves me is I sincerely believe that the Minister was sincere and believes that in asking that question. That's what exercised my leader, that's what exercised my col-

leagues. If the Minister on such a fundamental issue does not have an understanding of the significance of that question or of that position then, Mr. Chairman, we are indeed in trouble. Because it will obviously and it has already influenced a whole host of decisions that he is currently responsible for.

Decisions that had to do with how the Manitoba Agricultural Credit Corporation handles its \$30, \$40 million dollars of funds; how disposition of land is administered under his ministry; how programs are developed selectively with bias and with prejudice against those who are leaseholders, those who are tenants of the state, those who are tenants, those who are serfs to the government of the day as compared to those freehold landowners. I have to use these medieval terms, Mr. Chairman, to impart the significance of this statement. Now, Mr. Chairman, I'm really, first of all, surprised I suppose is the simplest most understandable term that I can use, that the Minister would allow himself to make that kind of a statement. I've always believed that of him but that we would make that kind of a statement and not understand its significance because, of course, what it does, Mr. Chairman, is add and lend a great deal more legitimacy to some of the charges that the Opposition will make and is going to continue making which might have been described earlier and perhaps in past years and being not quite fair or as being an exaggeration of their intentions.

Mr. Chairman, I'll acknowledge that is a position that from time to time, you know, honourable members opposite may choose to take when we get exercised about these matters. But, Mr. Chairman, with such a clear statement on the record and it's on the record, and I'm glad to see that it's on the record, what does ownership have to do with the production of food? Mr. Chairman, that adds and will add legitimacy to the position of the Conservative Party with respect to farmland ownership over the next four years which we will not allow this New Democratic Party administration to forget. We will be able to, we will substantiate those charges and those concerns throughout the ridings, throughout the greater constituency of Manitoba. Now, Mr. Chairman, I believe that his colleagues and his government will come to understand why the resolution before us and the hurt, the damage, that this new Minister of Agriculture, experienced as he is, has done to his government and his party's cause in the Province of Manitoba.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. MANNESS: Thank you, Mr. Chairman. I also have to rise to speak to this motion by the former Minister of Agriculture. I'm not going to rehash many of the areas in detail as the Member for Pembina and Arthur did that most capably last night. However, I, too would like to expand in one particular area and that is this lofty position of the Minister of Agriculture and to the extent it's held in such high esteem by the farm community and as such should be taken very, very seriously.

I'm concerned, I suppose, in listening to many of these areas and the comments of the Minister on many issues, I'm concerned as to the Minister's total comprehension and his whole understanding of spe-

cific areas and how they fit into the whole and I am concerned about some basic philosophy that he seems to hold close to his being which doesn't seem to fall specifically one way or the other. It allows him, I guess, great leeway and if there's anything the farm community needs, they need an individual who will speak forthright and who will put things on the record that are subject to, not varying interpretations, but to one interpretation.

My main concerns fall into these areas which I'll list briefly. First of all, into the whole Marketing Board area, I have a strong believing that this Minister does not understand all the issues and I'm concerned as I've come to know many of the Marketing Boards quite closely and as I see us moving into a new age within their whole sphere of activity, I think it is time that the Department of Agriculture and specifically the Minister of the day, attempt now to review that whole area, not to do away with the concept, but to attempt to again redefine maybe some of the areas of responsibility that have been given to some of the boards. Again, I'm not saying restrict them, but we are on an evolutionary process and it's important that this whole concept, the concept of supply management, the concept of Commission Boards which have benefit in their own right to a large number of producers be reassessed and be redefined in this particular time. I don't see it yet where this new Minister is prepared to acknowledge that should be done.

The beef program, well there's a tremendous concern here, because I think promises have been made to a large number of people that consultation would be the name of the game of this government and of this whole Minister and it has not been displayed or demonstrated here in this particular development of a beef program in any shape or form. I find that it's an ill-conceived program and I really wonder when the announcement comes forward that producers can be expected to make 4 to 8 percent premium contributions for their contribution into the stabilization program and I say, how can the Minister stand up in front of us and tell us that 8 percent of the revenue from the sale of an animal should be directed towards the premium contribution into the stabilization fund. It may be that it ends up that. Maybe that's what the plan will need to be viable. I don't know, but I am also saying, I don't have to know; the Minister does. The Minister has to be more prepared when he comes forward with a program like that because 8 percent or 10 percent of the value represents virtually all that was in that for that particular farmer.

We move to the Interest Rate Relief Program and we see all the comments and we hear all the comments that have been made on that particular project and our first intuition of course when we were given the details on it, the scant details, were that in fact it would be of little value. Who would be able to gain access to that type of program? Our fears of course, I think, have been expanded since that time when we talked to people who have applied and particularly since we've read the article released by the Farm Bureau who indicate that in their analysis, in fact very, very few people will qualify.

We can move into the dairy industry and I know the Member for Roblin-Russell who's seen a cheese plant close down within his area, it's a very real concern, not

only to him but certainly to everybody in that industry, and through questions that I've put from time to time I really question whether this new Minister has a full understanding of that dairy industry and some of the problems that it's facing and some of the guidance and the leadership they need so desperately and really, does he understand that he is the only person that can offer that at this particular time? It needs it desperately.

Then we move into that private land ownership question and I challenged the Minister yesterday to bring forward that definitive statement, the one that would tell us specifically whether the Land Lease Program was coming back; whether in fact the government of this day would own more and more prime agricultural land. Because as I pointed out at that time and I'll do so again, we do know that governments, not only provincial, but municipal governments, through foreclosure, through tax sale find themselves as owners of land and we've seen in the past what they've done. They have in fact offered it to people in the area at the going price, always at the going price, or whoever would pay the highest price and it again was removed from their area of concern. Just that assurance from this Minister, that in fact he and his government will do that, would certainly relieve my fears, just that assurance, but it won't come.

It won't come and I think the reason it won't come is because this government believes that large farms are on the trend increase, that in fact, there will be in time nothing but a few and that in fact, everybody that's working in the farm community will end up as hired workers. It's exactly right the comment from Dauphin, pardon me — from the Member for Dauphin and we know this is the fear, but what does history tell us? What happened in the depression years? Who was hurt the most? Well let me tell you, it was the foreign landowner; it was the large landowner. They were the ones that were hurt the most and what seems to be happening here is that this Minister is attacking this system. He says the system that we have now cannot adjust; it cannot protect the smaller concern. Well, I totally disagree with him because we are into some difficult times right now and who, right now, is going to suffer the most? Over the two or three years if this economic situation within agriculture does not correct itself, which size farm will probably be the least likely to survive. Well, I can tell you very, very confidently that in fact it will be the large so-called leveraged farm, the one that is deep in debt. That is the one that will not survive and who will survive? The small farmer and that is when the opportunities arise. Right now, who has the best opportunity to move into these areas where land is available for renting? It's not the large farmer who is up to his neck in debt. It's the small farmer that maybe runs three-quarters of a section of land now, section farming, that isn't deep in debt. He's the one that has the great opportunity and the system works well if you'll let it, not like in some of the other areas in the marketing supply managed area where in fact you lock into place a guarantee so that the largest within that area is always the weldest off.

Just ask your people who have in fact sat on councils and tried to supervise boards over the last 20 years. Ask Dr. Wood his impressions. Who's done the best under the system of supply manage where you've

attempted to bring in systems that have guaranteed the small? Who's done the best under that system? Within the controlled system, you lock people in so they can't leave; they can't go. Still the largest does the best under the locked in system, so there has to be a lesson there.

The lesson is that the system we have is working well and leave it alone and that we are in a period of adjustment. If this situation, the times we find ourselves within agriculture, continues and over the next two or three years and let's hope it doesn't, but if it does, the adjustments will be made. That's why I am not worried about large farms, because I haven't yet seen one that can do well beyond the physical capacity and the capabilities of the owners and the sons and the daughters, not one. The experiments have been tried and there's many people that have gone out and they said, I know if I hire 15, 20 men I can farm a township, and they have all failed. They failed in the 30's and they're failing now and they'll fail miserably in the next two or three years.

You know, when they don't fail, like the Minister of Agriculture used as an example last night; he talked about a system which paid \$1.25 million into a large Alberta feedlot. That's what happens when the government steps in and tries to support everything because the system would have that feedlot going out of business. That's where the adjustment would come, but it can't come in that case because that particular business will continue.

So, I am going to sum up now, but I do so in saying that I believe that the farm community with a new Minister of Agriculture over 5 months have found that there is not firm direction coming from this new Minister, that the moral support, although it may be there in words, isn't there in action and that there is a lack of true understanding of the farm community as it exists. I know the Minister has probably a very exaggerated understanding of the problem that faces him, that large problem right in front of him, but he does not have the ability in my understanding at least to tie that into the larger overall picture and that is what is so desperately needed, particularly when you're dealing with such a viable and long standing industry like agriculture.

So I have to find myself supporting the motion and the only final comment that I can make to the new Minister is that the system works. Don't ruin it by attempting to make ad hoc policy in some areas which time in itself will resolve.

MR. CHAIRMAN: The Honourable Member for Emerson.

MR. ALBERT DRIEDGER (Emerson): Mr. Chairman, my comments are going to be relatively brief. I just would want to indicate that regretfully I also will be supporting this motion and I say, regretfully, because the kind of relationship that the Minister of Agriculture has with the most major industry in this province should be such that we should not have to go through this kind of exercise. Obviously, the government has the numbers and they will be supporting the Minister and he will still retain his salary. The question then is, why do we go through this exercise then of presenting this kind of a motion? It is basically to indicate the

extreme displeasure that we have with this Minister and the lack of confidence that he seems to be portraying to the farming community.

I will just refer to a few specific little items, especially at a time of economically hard times for the farm population when rising interest costs, energy costs, cost of operations make it extremely difficult for farmers to be able to, never mind maintain themselves, try not to lose too much money. We've had the cases of two programs that I have been particularly concerned about. One is the purported interest relief program for farms, which I think is a facade, really. There are very few, and the Minister I think knows that already, very few if any people that will be qualifying under this program to any degree which will give some relief to the farm community.

The other thing of course is the beef stabilization program and the concerns I have there; there are a few of them. First of all, the Minister indicated from time to time that there has been much consultation going on with the people in the farm community. We have since found out through extensive questioning and statements made by the Minister that it has not been that extensive. In fact, some areas of the province have not been consulted at all and, when we have people like the Farm Bureau expressing concern that they have not been properly consulted with, it gives reason to feel that this Minister is not really going out and getting the true feeling of the farm population or farm community.

It seem that, you know, he has a tunnel vision type of approach to this and this has come out before in other years when basically the consultation of the ND party has been with the National Farmers' Union people, a group that has by and large, I think, anywhere around 800 members in the province at this time, a very limited representation. These are the people that he seemingly wants to consult with and get information from. If he had used a better system of consultation with the total farm community before he came out with the disastrous Beef Stabilization Program, I think possibly it would have been of help to somebody.

I had the occasion this week to attend a few meetings throughout the constituency and I find a very, very negative reaction to the Beef Stabilization Program. One would have thought that the Minister, after what had happened when the previous beef income program was initiated and ultimately finally washed out to some degree, that this Minister would have had an understanding of what the public wanted. The beef community, the people that are raising beef are the ones that are hurting most right now. Of all the farm people, I think the various commodities of beef people are the ones that are in extreme dire straits. They looked with anticipation to the interest relief program for the farmers and for a Beef Stabilization Program.

The Minister, anticipating full well that there's going to be a national program being announced to some degree hopefully soon, why didn't he follow like the other provinces, most of the other provinces, and come up with a straight \$50 a cow shot just to tide him over until we come up with a national program instead of using this kind of a program? I personally sometimes wonder whether the Minister did not realize that very few people if any are going to be joining this program, put up the big smoke screen and say, we'll

be spending \$40 million or whatever on the beef to assist the beef farmers, knowing full well that he will probably be assisting such a small percentage that it's not even going to be worthwhile. It makes good headlines saying, Beef industry gets \$40 million. Well, I daresay we'll be checking to see how much money will actually have been spent and the Minister would have been much better advised to give them an interim shot just to help them get through this extremely difficult time until a national program was established. He himself as well as the previous Minister of Agriculture, other provinces indicate it is a national program that we need. We have heard from the Federal Minister, Mr. Whalen, that he will be announcing I think, within the next two weeks, possibly, a national program.

Then of course the other night and it's been mentioned many times, and I think we cannot mention it too often, is the concern that we have to have about this Minister's attitude toward private ownership of land. This is something that I think he'll probably have to—we have speculated whether he said it in an offhand manner, whether he was sincere about it. Some of us feel that's his true philosophy. I would be very, very concerned, I think the public in Manitoba will be very concerned if that was actually his true philosophy. That private ownership plan, I think it's been debated to some degree in the House of Commons where there has also been some concern expressed about people owning private property.

Mr. Chairman, basically these are some of the reasons that I feel as I indicated, regretfully, that I will be supporting this motion because this Minister obviously is not in touch with the farm community. By bringing forward this kind of a motion, maybe he gets the message that it is not just us but also the farm community as a whole that is unhappy with the way he's handling his department. We hope that this kind of an exercise is going to possibly help him open up his eyes, get out of that tunnel-vision approach, and maybe do something for the people of Manitoba in the agricultural community.

MR. CHAIRMAN: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Chairman, I will be very brief, but I want to advise the Minister and the committee that I will also be supporting the motion and it does not reflect an attitude of personal condemnation of the Minister. It is a position which I must take because of a very sincerely held opposition to the policies that he is pursuing.

Fort Garry is not known as the major agricultural constituency in the province, I concede, but along with all other urban constituencies, Mr. Chairman, the people of Fort Garry recognize that the health of Manitoba and the prosperity of Manitoba depends fundamentally upon the health and the prosperity of our agricultural industry and all sections and components of it, the cow-calf industry included. I can assure the Minister, Mr. Chairman, that a number of my constituents have spoken to me about the agricultural policies being pursued by the present government through the current Minister. They have expressed to me their unhappiness with a number of

the measures and steps that he has taken and they have done so because, even though they are urban members, they recognize that their well-being and that of their families, their own jobs, their own careers in a great many cases, depend fundamentally and integrally on the agricultural base on which Manitoba has been built and on the requirement for a productive and prosperous and healthy agricultural sector. They do not feel that condition is being maintained under the current policies articulated by the Minister and the government of the day.

So, I enter the discussion and debate on this particular motion at this juncture, Mr. Chairman, just to make the point that the Minister should not feel that his confrontation here is only with representatives and spokesmen for rural constituencies. Urban members, at least those in my constituency, feel just as strongly about it as their rural counterparts do. They believe that the policies that he is defining and pursuing are destructive, in many cases, of the future of the cow-calf industry, and of the agricultural industry generally. For that reason, Sir, as a representative of some of those urban citizens of our province, I will be taking my position with my colleagues and voting in support of this motion.

MR. CHAIRMAN: The Honourable Member for Turtle Mountain.

MR. RANSOM: Thank you, Mr. Chairman. Mr. Chairman, this is not a motion that is made lightly by the Opposition. It is not a particular welcome thing that we find it necessary to express this sort of lack of confidence in the Minister of Agriculture, and although some of the members opposite might naturally take it rather lightly because they know they have the numbers, they should realize that this action on the part of the Opposition reflects a very real concern about the direction that this Minister is taking. It is a concern that is felt in the rural agricultural areas of Manitoba, whether the members opposite wish to acknowledge that or not.

Mr. Chairman, the members opposite and the Minister of Agriculture would do well to examine the mandate they received when they were elected last November. What kind of promises did the Minister make, did the party make, to the farmers of Manitoba during the election? Did they say that they were going to end the sale of Crown lands that had been leased to farmers for years? Did they say that they would take exception to one farmer holding or buying 21 quarters of land and presumably holding 21 quarters of land? Did the Minister stand on a platform and make a statement to the effect that he sees the Soviet land tenure system as being an inevitable system? Did he ask the question, what has land ownership got to do with productivity?

Mr. Chairman, let me just put a few things on the record that just happened to have come to light as we are sitting here listening to the debate this morning. The Minister asked, what has land ownership got to do with production? Let me read you a few headlines from the Manitoba Co-operator of April 15, 1982 and this shows what land ownership has to do with production. One headline, "Late Spring Causes USSR Planting Delay," well there's the first of the excuses

again for the Soviet system of land tenure where land is owned by the government. I'm not advocating, I don't want to be misunderstood, Mr. Chairman, that I say that the Minister wants to see the Soviet system of government, but I am saying there is a situation where the land is owned by the state and there's the first of the excuses beginning. "Late Spring Causes USSR Planting Delays, China Wheat Crop Seen Below 1981, USSR Field Work May be Lagging, USSR Production Methods Reorganization Urged, Soviet Meat Production Down in January and February." Mr. Chairman, that demonstrates what happens when the land is owned by the state and it's not owned by the people who work it. Then we have one other headline in the same set of papers, Mr. Chairman, and what does that say? "Australian wheat exports reach near record levels." In Australia, the land is owned by the farmers, privately owned, even though they may rent land from other private owners and there's the difference which the members opposite don't understand.

Mr. Chairman, this Minister's action with respect to marketing; in their mandate during the election last fall, did they go to the farmers of this province and say that we are going to establish a central marketing commission for cattle? Did they promise that to the farmers? No, they did not promise it to the farmers. That concept was rejected by a vote of 77 percent of the producers in 1977. Why do they do that, Mr. Chairman? Why must they go against the feelings of the farm community? Why do they go back and hire an ideologue like Bill Janssen, whose policies the farmers rejected in 1977? Why do you do it to yourselves? This is the type of policy — the members opposite don't understand what is happening in the country. They didn't promise these things; they did not say that they would do this. Mr. Chairman, the mandate that government received last fall was not to bring in a central marketing commission for cattle; it wasn't to terminate the sale of agricultural Crown lands to individual farmers; it wasn't to terminate lending by MACC to young farmers to buy land. Those were not the things that they were elected to do and, Mr. Chairman, it's evident they have not analysed the impact of what these policies will be.

We mentioned the other day when the program was first announced, we asked the Minister, what effect will this kind of policy have on livestock auction markets, for instance? It happens that, since the program was announced, there has been a very serious and unfortunate occurrence in Brandon where the Pool Livestock Auction has burned down. Now, Mr. Chairman, the question is going to be and it's going to be of great interest to people in southwestern Manitoba and to the residents of Brandon, will the livestock auction market in Brandon be rebuilt? Mr. Chairman, that decision is going to be one that hangs on a pretty narrow margin of analysis and if this government is going to be bringing in a central marketing agency which is going to bypass the auction markets, then that is seriously going to threaten the viability of any livestock auction market that might be re-established in Brandon. Mr. Chairman, I hope the Minister will examine that very carefully because he has two members sitting on his side who come from Brandon and represent Brandon constituencies and, if his program of central marketing of beef results in it being an

impossible economic venture to proceed with that livestock auction market, he is going to be in trouble, not only with his members but with the people of Brandon as well.

Mr. Chairman, I am very disappointed in the type of consultation that this Minister seems to have with the agricultural community. He says, he has an open-door policy and that he has consulted. Mr. Chairman, we have statements being made by a person associated with the Manitoba Farm Bureau which represents, I think, 18 commodity groups in this province; we have a Manitoba Cattle Producers' Association that represents some 14,000 producers in this province. Why is it that those members opposite stand up now, like the Member for Gimli did yesterday, and say that somehow the elected representatives of those farmers' groups don't represent the farmers? Those organizations are duly established to represent their members. What right has this government to stand up and say, oh, but because they don't put positions forward that agree with our philosophy, they don't represent the farmers? Who do they think represents the farmers? The National Farmers' Union, that has a handful of members in this province; has an insignificant following among the vast majority of farmers in this province. That's the group that this Minister consults with. Mr. Chairman, that is why we don't have any confidence in this Minister because he is not listening to the farmers. Why must he do things that the farmers don't want, that are not in accordance with the vast majority of what farmers want? Is that the way that democracy works? Is that the social democratic approach, to foist things upon farmers which they don't want? They don't want his central marketing commissions; they don't want his land policies. Mr. Chairman, we are going to be voting to reduce this Minister's Salary because we have no confidence in the leadership that he's giving to agriculture.

MR. CHAIRMAN: There's no further discussion. Are you ready for the question?

The question before us is the motion by the Honourable Member for Arthur, seconded by the Honourable Member for Minnedosa, that the Minister's Salary be reduced to \$50, the same as he is prepared to pay on a per cow basis to the beef producers for the government control of their industry.

MR. RANSOM: I'm sorry, Mr. Chairman, I didn't hear the last part.

MR. CHAIRMAN: The same as he is prepared to pay on a per cow basis to the beef producers for the government control of their industry.

All those in favour of the motion signify by saying yea. All those opposed signify by saying nay. In my opinion, the nays have it.

The Honourable Member for Turtle Mountain.

MR. RANSOM: Mr. Chairman, I request a formal vote.

MR. CHAIRMAN: Does the member have support?

The motion before the Committee, moved by the Honourable Member for Arthur, seconded by the Honourable Member for Minnedosa, that the Minister's Salary be reduced to \$50, the same as he is

prepared to pay on a per cow basis to the beef producers for the government control of their industry.

A formal vote has been requested.

A STANDING VOTE was taken, the results being as follows: Yeas, 15; Nays, 22.

MR. CHAIRMAN: The motion is lost.

Order please. Are you prepared to continue with Item No. 1. General Administration 1.(a) the Minister's salary—pass.

That completes the items. Therefore be it resolved that there be granted to Her Majesty a sum not exceeding \$2,759,200 for Agriculture, General Administration for the fiscal year ending the 31st day of March, 1983—pass.

That completes the items under Agriculture in the Estimates, the Agriculture Department.

Committee rise. Call in the Speaker.

IN SESSION

MR. SPEAKER: The Honourable Member for Flin Flon.

MR. STORIE: Mr. Speaker, I move, seconded by the Honourable Member for Burrows, that the report of committee be received.

MOTION presented and carried.

MR. SPEAKER: The Honourable Government House Leader.

MR. DESJARDINS: Mr. Speaker, I move, seconded by the Honourable Minister of Finance, that the House do now adjourn.

MOTION presented and carried and the House adjourned and stands adjourned until Monday at 2 p.m.