

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 p.m., Tuesday, June 1, 1976

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 38 students, Grade 8 standing, of the John Gunn School, under the direction of Mr. Hnatiuk. This school is located in the constituency of the Honourable Member for Transcona, the Minister of Labour.

And we also have 56 students of Grade 4 standing, of the George Fitton School, under the direction of Mr. Thickens and Mrs. French. This school is from the constituency of the Honourable Member for Brandon East, the Minister of Industry and Commerce.

And we have 24 students, Grade 6 standing, of the Crestview School, under the direction of Mr. Morgan. This school is in the constituency of the Honourable Member for Assiniboia.

On behalf of all the honourable members I welcome you here this afternoon.

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees. The Honourable Member for Radisson.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. HARRY SHAFRANSKY (Radisson): Mr. Speaker, I beg to present the third report of the Committee on Public Utilities and Natural Resources.

MR. CLERK: Your Committee met on April 6, April 13, April 20, and June 1, 1976. Mr. Leonard A. Bateman, Chairman of the Board, presented to the Committee a report with respect to the activities of Manitoba Hydro to date.

Your Committee examined and passed the Annual Report of the Manitoba Hydro-Electric Board for the year ending March 31, 1975.

Your Committee received all information desired by any member from the officers of Manitoba Hydro and the staff with respect to matters pertaining to the Report and the program for hydro-electric development in the Province.

All of which is respectfully submitted.

MR. SPEAKER: The Honourable Member for Radisson.

MR. SHAFRANSKY: Mr. Speaker, I move, seconded by the Honourable Member for Ste. Rose, that the Report of the Committee be received.

MOTION presented and carried.

MR. SPEAKER: Ministerial Statements and Tabling of Reports. The Honourable Minister of Mines.

MINISTERIAL STATEMENTS ON COMMITTEE MEETINGS

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, I would like to indicate that tonight at the meeting of Economic Development there will also be available the Chairman of the Leaf Rapids Development Corporation Board.

I would also want to hold the first - not the first meeting but another meeting of Law Amendments Committee tomorrow evening at eight o'clock and this will also be for representations on all bills that are presently before the Committee, for public representations, so it would be useful if honourable members advised anybody that they know is interested in any of the bills, and it would also be useful if we receive the usual co-operation from the public media.

MR. SPEAKER: The Honourable Minister of Highways. Order please. The Honourable Minister of Mines again.

MR. GREEN: Mr. Speaker, I did indicate a couple of days ago that I could only remember one bill that had not been introduced. I see one now in Votes and

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(MR. GREEN cont'd) Proceedings and it's not the one that I remember, so there is still another one.

TABLING OF ORDER FOR RETURN NO. 4

MR. SPEAKER: The Honourable Minister of Highways.

HON. PETER BURTNIAK (Minister of Highways) (Dauphin): Mr. Speaker, I'd like to table an Order for Return, No. 4, on the Motion of the Honourable Member for Lakeside.

MR. SPEAKER: Any other Ministerial Statements or Tabling of Reports? Notices of Motion; Introduction of Bills; Questions. The Honourable Leader of the Opposition.

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MR. DONALD W. CRAIK (Leader of the Official Opposition) (Riel): Mr. Speaker, I direct a question to the First Minister. I wonder, in view of the newly discovered role that the government is playing in the affairs of Thompson, if the First Minister can advise us of the present situation regarding the threatened strike and other activities at Thompson.

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, I can only give a report as has been relayed to me, and it is basically, Sir, a case of attempting to play some useful role, it is not a case of being in a position to exercise jurisdiction of the Crown in the right of Manitoba where it doesn't exist. As I indicated to the House last evening that what has been attempted to be done is to convey a message by way of telegram to the local at Thompson that there would be good reason to defer any imminent action until certain things are attempted via the unexercised Right of Appeal to the to the Governor-General-in-Council in Ottawa. Based on that I was advised that the elected executive and stewards of the Local did vote to proceed in that fashion. There was some spontaneous indication this morning of some picketing, although it did not have the sanction of the Union Local. I understand further and finally that there is a voting process taking place this afternoon, and that later this afternoon we should have more definitive information.

MR. CRAIK: Mr. Speaker, could the First Minister indicate what he refers to as a "vote in process?" Does this mean another ballot is being cast with regard to the same matter that was voted on on the weekend?

MR. SCHREYER: Mr. Speaker, it is my understanding, and I am proceeding here by once relayed, or secondhand information, that this afternoon a proposal was to be voted on, namely, the proposal that was included in my telegram communication of yesterday afternoon. I understand that this is being recommended for adoption and we will know later this afternoon if in fact it is being adopted.

MR. CRAIK: Can the First Minister indicate whether there were appeals to the Labour Relations Board yesterday or today regarding the first vote?

MR. SCHREYER: Mr. Speaker, this is something which is very directly in the purview of my colleague the Minister of Labour. I can only indicate that at 3:45 p.m. yesterday that the Chairman of the Board did receive such an application or a formal statement of allegation of irregularity in the main voting of Friday or Saturday last, but beyond that I have no further information.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SIDNEY SPIVAK, Q.C. (River Heights): Mr. Speaker, to the First Minister. I wonder if he can indicate whether he has been in contact with the Prime Minister with respect to the appeal that he's referred to, and with respect to any appointment to be made which he would be attending with representatives from Thompson.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, that is precisely what is in course of being done now. My office is attempting to arrange a date with the Prime Minister

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(MR. SCHREYER cont'd) and/or the Minister of Finance and others of the Federal Cabinet. I don't know if we can get confirmation today or tomorrow or the day after.

MR. SPIVAK: Then I wonder if he can confirm that at this point there has been no confirmation that a meeting could take place within two weeks.

MR. SCHREYER: Mr. Speaker, I have no reason for assuming that it will not. It's a case of simply arranging an acceptable date. The Prime Minister of course in recent days has been on the move as between different points in British Columbia, so there is some problem in logistics.

MR. SPEAKER: The Honourable Member for Virden. Order please.
The Honourable Member for River Heights.

MR. SPIVAK: Well I wonder if the First Minister can indicate whether there has been some discussion between officials of his office and the Prime Minister's office to indicate that in effect there will be an acceptance of the principle that the First Minister, along with the Community of Thompson and the interested parties, will in fact be in a position to appear before him.

MR. SCHREYER: Well, of course, Mr. Speaker, that's the point of the whole exercise. If my honourable friend is interested in establishing that no such meeting will be possible, I'm certainly not going to give him the satisfaction of confirming that. I have no basis for believing that the Federal Government will not be amenable to a date for a meeting to discuss the matter.

MR. SPEAKER: The Honourable Member for Virden.

MR. MORRIS MCGREGOR (Virden): Mr. Speaker, I'd like to direct this question to the Acting Minister in charge of Lotteries. What precaution does the Minister contemplate to ensure that the sale of Western Express Lottery tickets is closed prior to future draws. A recent example is of the \$50,000 winning ticket being purchased with some 3,000 other tickets after the draw.

MR. SPEAKER: The Honourable Minister of Tourism.

HON. RENE TOUPIN (Minister of Tourism, Recreation and Cultural Affairs) (Springfield): Well, Mr. Speaker, I wish to thank the honourable member for giving me advance notice of his question. I've been informed by officials of the Lottery Commission that this is common procedure in the sense that packages of tickets are distributed, sold to distributors and agents and form part of the winning tickets in the barrel, meaning that whether they're sold before, during, or after the draw, that they all have a chance of winning. The tickets had been sold to distributors; whether they're sold to individuals after that point, the Commission includes the corresponding numbers in the barrel, so they're really selling cash in a sense, once they sell those tickets to the distributors. So the procedure that was followed in the previous lottery sales will continue on in that fashion.

MR. MCGREGOR: Then a supplementary. Does the Minister not agree this action, even if legal, will hurt future sales if continued and expanded upon?

MR. TOUPIN: I don't believe so, Mr. Speaker, as long as it's well understood by the public that once a distributor buys a package of tickets and that the corresponding numbers are put in the barrel, whether they're sold before, during or after, that they are capable of winning.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I direct a question to the Minister of Highways. From the question posed by my colleague from Lakeside yesterday, I'd like to ask the Minister if he is conducting a dust control program throughout the Province of Manitoba on his provincial highways?

MR. SPEAKER: The Honourable Minister of Highways.

MR. BURTONIAK: Mr. Speaker, of course when conditions are dry as they are at the present time, as I mentioned yesterday, we do have a program. As a matter of fact we've extended it somewhat two or three years ago wherever there are residences along various provincial roads, that we do use calcium for this purpose, to keep the dust down within those areas. So this will be continued as supplies are available and as

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(MR. BURTNIAK cont'd) equipment is available to do this kind of work throughout the various parts of the province.

But my honourable friend must understand that the entire province cannot be done at once. It is done in various parts of the province, and I realize in some areas the people are a little restless but that's one of those things that they have to live with until the outfit gets there, in that particular area.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. BOB BANMAN (La Verendrye): Thank you, Mr. Speaker. I direct my question to the Minister of Highways and would ask the Minister if his department or he is contemplating any changes in The Highway Traffic Act which would allow people to ride in the fifth-wheeler type of campers.

MR. SPEAKER: The Honourable Minister of Highways.

MR. BURTNIAK: Well, Mr. Speaker, that is I would think a matter of policy and if that should be the case it will be announced in due course.

MR. BANMAN: Mr. Speaker, a supplementary question. I wonder if the Minister could confirm that many of the jurisdictions because of the growing sales and popularity of these particular units are changing their Acts to comply that people can ride in these units.

MR. BURTNIAK: Mr. Speaker, whether I am aware of it or not I don't think it's all that important, but as I said if that is to come about it's a matter of policy and it will be announced at that time.

MR. SPEAKER: Orders of the Day. The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I have a question for the Honourable Minister of Tourism and Recreation. Has the Minister or the Department of Tourism and Recreation taken over the operation of Lord Selkirk?

MR. SPEAKER: The Honourable Minister of Tourism.

MR. TOUPIN: Mr. Speaker, there's no need for that. The Lord Selkirk is part of Venture Tours. The Minister of Natural Resources and myself and my officials get along quite well and we can meet all I believe, not all the requests that we get, but we can certainly satisfy all those that do request tours from us. So without having a direct responsibility within the Department of Tourism, Recreation and Cultural Affairs, it's working quite well.

Mr. Speaker, while I'm on my feet I would like to clarify possibly for the Honourable Member for Virden, pertaining to his previous question, and that is pertaining to the tickets that are sold to the distributors. If there's say, 5,000 tickets that the honourable member buys as a distributor, he has a certain date by which he can return those tickets unsold, and if he returns those tickets unsold to the Lotteries Commission, they're not included in the barrel, but if he doesn't by that deadline, they are included in the barrel and they form part of the possible winning tickets.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, a supplementary, a question that I posed the Minister. The Minister indicated that everything's working quite well in view of the fact that the . . .

MR. SPEAKER: Question, please.

MR. PATRICK: . . . that the ship lost \$126,000 last year and it was indicated by . . .

MR. SPEAKER: Question, please.

MR. PATRICK: My question is: Will the Minister take over total operation of M.S. Lord Selkirk as was indicated in a committee by the Chairman of the MDC?

MR. SPEAKER: The Honourable Minister of Tourism.

MR. TOUPIN: Mr. Speaker, I thought I answered that question in saying that I don't see any need for that. We can accomplish the same end the way it is now.

MR. SPEAKER: The Honourable Member for Virden.

MR. MCGREGOR: To follow the Minister's second part of the answer, well I'd like to follow up on the draw. I think as I watched it or understand it, there are no tickets, and if those tickets are drawn, are in envelopes, then indeed that money stays in the treasury. But that isn't a thing that I or someone who manoeuvres . . .

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MR. SPEAKER: Question, please.

MR. MCGREGOR: . . . knows that the winning ticket hasn't been drawn. Okay, we'll gamble fellows, we'll buy that 5,000 tickets, and knowing there's 50,000 in there, and that's the part of the corruptness that can move in here and really . . .

MR. SPEAKER: Question, please.

MR. MCGREGOR: . . . discredit Westcan Lotteries. What is going to become of that?

MR. SPEAKER: Question please. The Honourable Member is debating it. The Honourable Minister of Tourism.

MR. TOUPIN: Mr. Speaker, I've related to the House the information supplied to me based on the advance notice received by the Honourable Member for Virden. If there's part of the answer that remains unanswered, I'll take the balance of the question as notice and come back.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Education. Last week I asked him a question concerning English language instruction in Red River Community College this summer. He took the question as notice. I wonder if he can indicate whether he has the answer at this time.

MR. SPEAKER: The Honourable Minister of Education.

HON. BEN HANUSCHAK (Minister of Education; Minister of Colleges and Universities Affairs) (Burrows): No, Mr. Speaker, I do not have the reply to the honourable member's question today.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: To the First Minister in the absence of the Minister of Urban Affairs. An offer has been made of the possible development of a housing program with . . .

MR. SPEAKER: Question please.

MR. SPIVAK: Mr. Speaker, I'm attempting to preface with information so that I can ask the Minister, the First Minister the question. An announcement has been made by BACM of a housing project in the Wilkes area in the City of Winnipeg, in which there's an indication that there is land to be purchased from the province . . .

MR. SPEAKER: Order please. Again, the honourable member is utilizing a preface which is in the newspaper and which is contrary to our rules. If he has a specific question, would he place it.

MR. SPIVAK: I wonder then if I can ask the First Minister whether he can confirm that the Province of Manitoba is negotiating with BACM for the purchase or for the sale of property now held by the government with respect to a residential housing development in the southern part of the City of Winnipeg.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, it is possible that there is such negotiation taking place, although I am not personally aware of it. Certainly there has been in the past several months negotiations for the possible sale by the Crown or purchase by the Crown of lands presently owned by certain developers or sought by them. But for the most part the land policy of the Crown is to attempt to bank land for the future and to also service certain land for sale as serviced lots in juxtaposition with subdivision plans development of the Crown itself.

MR. SPIVAK: I wonder then, if the First Minister can indicate whether the proposed CN Piggyback facility has in fact affected the transactions between BACM and the province.

MR. SCHREYER: Mr. Speaker, I'm well aware of the honourable member's preoccupation, I think I should say, with the proposed CN Piggyback facility in southwestern Winnipeg.

I think this has been the subject of some question and answer in this Chamber in the past. The Minister of Urban Affairs has indicated that the attitude of the province is one of the accommodation of the city's own sense of planning and development of its own territorial limits. I am, however, prepared to take the question as notice to see whether there is any reason for such preoccupation with the CN Piggyback proposal.

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MR. SPIVAK: Yes. I wonder if the First Minister can take as notice the question as to whether the Manitoba Housing and Renewal Corporation are now in the process of purchasing land south of this development for future development by the Manitoba Housing and Renewal Corporation as well.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. DAVID BLAKE (Minnedosa): Yes, thank you, Mr. Speaker. My question is to the Honourable Minister responsible for Tourism and Recreation, and pertaining to the lotteries question. I wonder if he could confirm that the agents selling the Western Express Lottery Tickets have 7 days after the draw in which to provide the funds for the tickets they have sold or to return the unsold tickets.

MR. SPEAKER: The Honourable Minister of Tourism.

MR. TOUPIN: Mr. Speaker, I so indicated in my supplementary answer to the Honourable Member for Virden when I indicated that there was a deadline in which they had to return the unsold tickets. But if they did not meet that deadline that the tickets that they had ordered and kept, form part of the tickets that are drawn from for the winning ticket.

MR. BLAKE: Yes. A supplementary Mr. Speaker. I'm still not clear on the answer. Is this deadline seven days after the draw or is this deadline before the draw?

MR. TOUPIN: Mr. Speaker, I did not make reference to seven days, the honourable member did. That part of the question I'll take as notice.

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, last week I directed a question to the Minister of Mines and Natural Resources. I asked the Minister if any lands purchased for Wildlife use had been leased for grazing purposes. I think the Minister took that question as notice.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I indicated that it was within the jurisdiction of the Minister of Renewable Resources but that I would take it as notice. I would assume that it was conveyed to him although . . .

MR. SPEAKER: The Honourable Minister for Renewable Resources.

HON. HARVEY BOSTROM (Minister of Renewable Resources) (Rupert's Land): Mr. Speaker, the only lands that I'm aware of that have been leased, that is wildlife lands, that have been leased for grazing purposes, are those along the Souris River where there were farmers who were flooded and who required on an urgent basis lands for grazing purposes. In this case special attention was given and certain lands were leased on a short-term basis, or permitted out on a short-term basis to these farmers until their present lands could be put back into use.

MR. WATT: Mr. Speaker, then I direct a further question to the Minister. I wonder if the Minister could indicate if the lands leased for grazing purposes were leased to the same person who had held previously the lease on that land.

MR. BOSTROM: Mr. Speaker, I assume that they were leased on the basis of need, not so much on the basis of whether or not someone had held the lands privately formerly. But I will take that part of the question as notice if the member requires that information.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. CRAIK: Mr. Speaker, I direct a question to the Minister of Tourism and Recreation on the same question of lotteries. I wonder if he could also enquire and investigate whether there can be any control applied to the mailing of books of tickets indiscriminately on the lotteries to different people without their consent. I ask him whether he and other members of this side of the House, like many of the MLAs I know, whether they received what was supposed to be two books of tickets in the mail from a worthy organization but without the advice and consent of the recipient. And in the particular case that I refer to - in my own case - although they said there were two books of tickets, there was only one book of tickets, and now I think I've lost it completely as well along with the other Third Class mail. I wonder if the Minister could not investigate as to whether this is taking place on a widespread scale, and if so, can something be done about it.

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MR. SPEAKER: The Honourable Minister of Tourism.

MR. TOUPIN: Yes, Mr. Speaker, obviously it's being done. Most of us have received such books - I know that I have - and I'll ask the Honourable Minister responsible for Lotteries to make a report.

MR. SPEAKER: Orders of the Day. The Honourable House Leader.

ORDERS OF THE DAY

MR. GREEN: Mr. Speaker, would you proceed with the bills in the order in which they appear on the Order Paper.

MR. SPEAKER: Thank you. Bill No. 54, the Honourable Minister of Corrections.

HON. J.R. (Bud) BOYCE (Minister responsible for Corrections and Rehabilitation) (Winnipeg Centre): Stand, Mr. Speaker, please.

MR. SPEAKER: Bill No. 57, the Honourable Member for . . . Order please. The Honourable Member for Assiniboia.

MR. PATRICK: Can I have permission to speak on that bill?

MR. SPEAKER: Is it agreeable? (Agreed) The Honourable Member for Assiniboia on Bill 54.

BILL NO. 54 - AN ACT TO AMEND THE TEACHERS' PENSION ACT

MR. PATRICK: Thank you, Mr. Speaker. I know that quite a bit has been said on Bill 54, Mr. Speaker, so I will not repeat much that has been said before but I will try to put my views as far as I see the bill.

Mr. Speaker, the bill to amend The Teachers' Pension Act, it has some other principles and provisions in it which certainly there's no disagreement in the House, at least from the speeches that I've heard so far, there's been no disagreement. There's one section gives the teachers' retirement allowances a corporate status, which I'm sure nobody would disagree with that, would allow the Board to make investments instead of having an agency to make investments for the Teachers' Retirement Board.

And there was also provisions made for an honorarium to each board member, Mr. Speaker, which I believe is fair and equitable because the members of the board certainly give much of their time, personal time, and perhaps after hours of work and weekends, and certainly we on this side would not disagree that they should get paid, and I feel that they should get paid and provision . . . One of the principles in the bill is that there is provision made that they be paid. I believe that one of the other bills that we just passed, the Superannuation Civil Service has the same provision, and I see no problem with that, Mr. Speaker. I feel that there should be provision that board members be paid for the time that they put in.

There is also more flexibility in the legislation giving the board members more power and where they can invest as much as 30 percent of the funds in first mortgages, and I feel there's no problem with that, Mr. Speaker. I would agree with these provisions in the bill in the legislation.

I know there is another one dealing with providing supplementary allowances to teachers on pensions, and certainly I believe this is a correct measure. It's based on the Consumer Price Index, and my only argument with this would be, Mr. Speaker, that I believe the present bill extends it for one year; in my opinion I think this should be based on a more permanent formula, that there'd be an indexing formula every year. I know when the Minister introduced the Estimates I believe he indicated, or introduced a bill that this is something that the government is looking at, and I believe that would only be proper and in the right direction if we based on a formula that there would be automatic indexing, which we are moving towards in most of the pensions or disability pensions.

The point that there is some great disagreement as far as this bill is concerned, and, Mr. Speaker, the difficulty is where we move into war pensions and legislation which would enable teachers to purchase credit for war service, where at the

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(MR. PATRICK cont'd) present time can be used for pension purposes. And this is where there is some disagreement. I know that the Minister when he introduced the bill he indicated he was trying to remove some of the inequities that were in the bill. And the information from the debates that have been taking place in the House here and from the contacts that we had with the Teachers' Association and some of the teachers, it would appear that some of these inequities have not been removed, in fact it has become much more confusing, Mr. Speaker.

Perhaps it is a difficult thing to have the kinds of terms of reference that would satisfy everyone and this is an area maybe where the Minister should be looking at because the terms, I understand, of reference in my opinion, I would say that perhaps they are restrictive, and maybe it's difficult to include everybody that would satisfy everyone. There may be some teachers that were just going to high school and ended up in the services, came out and taken their - not teachers, someone going to high school and then went into services, went back to teaching and feels that . . . you know, went back to take his teaching accreditation and then went teaching. Maybe there is some problem because one of the cases that's in the brief that we received from the teachers, it would indicate . . . So maybe what the Minister needs is someone to adjudicate which one of the 25 or 30 that we have in this group, which ones should qualify and which ones shouldn't. Surely he can appoint a chairman or a board of a couple of people, somebody from the Society and maybe somebody from the department, and I feel that this could be resolved very quickly, Mr. Speaker.

I know the pension changes would cover persons who served in the Second War, and I believe in the Korean War, as well and became teachers one year after the conflict. I think the big problem is, is that where the Minister is asking that they pay 12 percent of their current salary for each year . . . And I believe the teachers have a point, not only that they would have to pay 12 percent, they would have to pay the current six percent, so the total would be 18 percent, the way I understand it. Twelve percent for the pre-service and six percent that they're paying now for the present pension. So there would be an 18 percent taken out of their pay, which is quite substantial, Mr. Speaker. I believe this would create some hardship for many people and it has been indicated that when you take that kind of percentage out of a salary of, say, \$18,000 or \$20,000, it is quite substantial, and then if you have to go for back service . . . So I think it would really play a hardship on some of the teachers.

I understand - I could be corrected if I'm not correct - that on Bill 55 I believe the teachers receive credit for years without making any contribution. I believe I'm correct on that point, when we had the bill a couple of years before. So I feel Mr. Speaker, that the situation would be rectified and corrected, and I think it would be more equitable, if the Minister would reduce the 12 percent to six percent of their current salary. The teachers have indicated to me that it would satisfy the Association and they have a pretty large support, not only for the people that are involved. I know the Minister and some of the other speakers have indicated, well, how did we handle the MGEA, and some of the others, and I believe one of the speakers pointed out, the Member for Fort Garry pointed out, that in some areas the teachers have . . . perhaps their superannuation legislation is not as good as the one that the MGEA have. For instance, when the contributions are taken or when somebody wants to take his contributions out, in the Teachers' Pension I believe they get nothing for their money, while in the Civil Service, the MGEA, they get three percent. And I've been very critical in this House about the three percent, I think it's a way too low. I think it should be at the current bank rate. But as far as the teachers are concerned, I believe they're not getting any interest on their money.

So, in my opinion, Mr. Speaker, I believe that such things as teacher training should be considered in the terms of reference because at the present time I think it may be too restrictive and the only solution to the whole matter would probably be, if we're only talking about a small group of teachers, if there is some concern on the part of the Minister and on the part of the government that maybe there's one or two teachers that don't qualify, well let somebody adjudicate that, find out which ones and maybe they won't qualify, because I wonder if we can come with a term of reference and

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(MR. PATRICK cont'd) a definition that would be all-encompassing that would include other ones that we want, and if we come with such a definition it may include others that perhaps shouldn't be entitled to the purchase or the availability of this legislation for purchasing of their credit. So maybe that's the only way out but I do feel very strongly that the teachers have a point and I feel the correct measure in this instance, would be instead of having the teachers paying 12 percent of their current salary we should make provision that they pay six, and it's been indicated in this brief that this has been done in at least four or five of the other provinces. I believe one or two provinces have not that type of legislation but I believe in some four or five of the other provinces, they have. So there is a precedent in that case and I do support the bill. I believe the teachers have a point and I hope the bill does go to Law Amendments so we can hear the representations from the teachers and if there's anyone else. But at the present time I think that the teachers certainly have a legitimate complaint and that asking them to pay 12 percent would be unreasonable. So I hope the Minister will give some consideration to reducing that to six percent.

MR. SPEAKER: The Honourable Minister of Education.

MR. HANUSCHAK: Would the honourable member permit a question?

(Mr. Patrick nodded yes.) Do I understand him correctly then that what he is proposing is that the teachers' contributions be six percent and the balance come from the taxpayers of the Province of Manitoba on behalf of those teachers? Thank you.

MR. SPEAKER: Bill No. 57, the Honourable Member for Fort Garry.

MR. L.R. (Bud) SHERMAN (Fort Garry): Stand, Mr. Speaker.

BILL NO. 61 - AN ACT AUTHORIZING EXPENDITURE AND
BORROWING OF MONEYS FOR CAPITAL PURPOSES

MR. SPEAKER: Bill No. 61. The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I adjourned debate for the Member for Portage la Prairie.

MR. SPEAKER: The Member for Portage la Prairie.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, when Bill 61 was put before us last night and of course we were expected to act upon it fairly quickly because the \$398 million-odd that is to be raised by way of loans, there are many many necessary programs that are covered in the bill. And I certainly agree with the large majority of the programs that are itemized. For example, the Manitoba Hydro Board needs \$200 million, the Manitoba Telephone System and Water Services Board, the Manitoba Schools Capital Financing Authority, all these are very necessary arms for the good of the people of Manitoba, whether they be Crown corporations or government agencies.

Mr. Speaker, when I saw under the titles, Schedule A, Self-sustaining programs, the Manitoba Development Corporation seeking \$19,600,000, I just couldn't stand to be silent any longer because if one thing has not happened in the past number of years, the MDC has not been self-sustaining. It has been found to be propping up companies that had no business whatsoever getting any money, that any proper studies or evaluations had been made of this particular situation. And, of course, the government front bench will know immediately that I'm going to talk somewhat about Saunders Aircraft, and I certainly am.

I told the Premier and his seatmates four years ago that this was not a viable operation, that at that time, four years ago, the aircraft industry was in a depressed state all over the world, let alone North America. And how could a little company with a limited product, one single product, sell and market internationally an airplane that had no special attributes that any other small feeder airline had. And I mentioned specifically at the time, Fokker in Germany turned out a comparable plane, Shorts-Sunderland in England turned out a comparable plane. A good number of American companies turned out a comparable plane, as well as we had De Havilland in eastern Canada. So to start from scratch, to build an airplane with secondhand bodies, an airplane that is not pressurized, and has a very limited function, and is going to compete

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(MR. G. JOHNSTON cont'd) . . . in a depressed market, I think I reminded the Premier and his colleagues at that time that it was a bad idea and deserved re-examining. But what happened? What happened? The government not only ignored advice from the Member for Brandon and myself, and I presume they must have sought other advice, but they went ahead. The MDC advanced over the years \$20 million and at no time in that four year period was the Saunders Aircraft Company looking at all like it was going to last very long unless new infusions of funds, taxpayers' funds, were poured in. And that's exactly what happened.

And then after ignoring all the four years' experience, noticing the lack of solid sales, taking note of the fact that there were very few sales, let alone the unsound sales, the government then decided to invoke Part II of the Development Act. Now what does this mean? It means that they in their wisdom as 17 or 18 political persons of no particular financial background, other than any other member of this House has, decided that they would, under Part II of the Development Act, step in where the MDC then feared to tread any longer because the MDC said at that stage that they were not going to lend any more money, that they could see that it was not a good deal, and they wanted to cut the losses and stop the loans. But the Cabinet jumped in - I don't know whether you'd call them political loans or social loans or whatever, but they forget their responsibility to the people that they have to raise the money from. They have to raise the money from the taxpayers by raising taxes. And when we take a look at the Development Act and what it says under Part II, and I quote from Section 40, Part II: "Operations requiring approval of the Lieutenant-Governor-in-Council. Development of industrial enterprises. Where the corporation includes that it is feasible to develop an industrial enterprise that is required for the economic development of Manitoba or any region thereof and that private industry is not ready to proceed with the development of such an industrial enterprise, or that it is deemed advisable to do so, the corporation shall, pursuant to directions given from time to time by the Lieutenant-Governor-in-Council do all things necessary to establish and carry out or promote the establishment or the carrying on of any such industrial enterprise."

Well, Mr. Speaker, I'm sure that the original drafters of the bill, and I'm sure that most members of the House who voted on The Development Act bill at the time it was passed had no idea, no idea whatsoever, that the Cabinet would involve itself in making loans based on whatever their reasons are; some probably social reasons, some probably political reasons, but certainly not based on any economic reason, not based on any economic reason in the case of Saunders Aircraft.

So, when we look at the Annual Report of the Manitoba Development Corporation we notice on Page 18 and 19 comparisons for the past 10 years. It's interesting to note that the Cabinet took it upon itself to invoke Part II of the Development Act back in 1972, where \$2,200,000 was advanced to various companies under Part II of the Development Act.

In 1973 I guess they felt a little more sure of themselves. They invoked Part II to increase that to \$7.9 million. In 1974 the Cabinet increased that again by way of loans under Part II to \$11.6 million. And in 1975, \$25,209,828, much of which, Mr. Speaker, we know is lost and is gone beyond recall. --(Interjection)-- Well, Leaf Rapids Development Corporation, \$3 million. --(Interjection)-- Well, \$3 million here. That's Part II, but it is not a private company. They know, and you know that they can raise the taxes to pay for that. I'm talking about making --(Interjection)-- Well, I'm telling you that of the \$25 million that has been advanced to date the majority of that is going to be lost, and you know it. And you know it. To call the Manitoba Development Corporation a self-sustaining operation, Mr. Speaker, under these terms, it's not true, it's just not true.

I think that the Cabinet should cease and desist using Part II for the purposes that they used it for in the case of Saunders Aircraft. They were going against the advice that they had from the MDC. They themselves said, "enough is enough". But no, my friends opposite advanced the money, and perhaps they can tell us the reasons as to why they advanced it. We all talk about jobs, promoting industry, but there has to be some judgment exercised, and there was certainly no judgment exercised here in

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(MR. G. JOHNSTON cont'd). . . . the case of Saunders.

Well, my friends, I'd like to hear their real reasons as to why they invoked Part II of the Act to assist a failing company that was going to fail sooner or later. In this case it failed later because it received enough of the taxpayers' dollars to stay alive for a few more years. I don't think that's the proper use of Part II of The Development Act and I hope the Premier and his colleagues have learned a lesson. The taxpayers have learned a lesson, I'll tell you.

MR. SPEAKER: The Honourable First Minister will be closing debate. The Honourable Minister of Mines if he's going to speak.

MR. GREEN: Mr. Speaker, I think that there was some misunderstanding that the First Minister wasn't aware that he would be closing debate when he rose. But I gather there are other gentlemen who wish to speak. I'm not going to take a great deal of time, Mr. Speaker, discussing The Development Corporation at this time except to try to indicate to the Honourable Member for Portage la Prairie that in certain assumptions he is making he is incorrect.

There have been to my knowledge three times in which Cabinet used Part II of the Act, one of them I had forgotten about and that was with the Tantalum Mines. Mr. Speaker, that is one of the best, as agreed by all of the Board of Directors on the MDC, that is one of the best investments that we have. I am not blaming the MDC for not going into that one on their own. At that time there was some question as to whether they had a policy about investing in mining companies. They never objected to the investment, but Part II was invoked for reasons which I really can't remember. But in any event, that particular loan was one of the best loans, and is acknowledged to be one of the best loans, and is acknowledged to be one of the best loans that the MDC has made.

The second loan that we made under Part II was with regard to the Leaf Rapids Development Corporation. I reported on Leaf Rapids Development Corporation last week in the Legislature, Mr. Speaker. I can't convince my honourable friend, and I'm not going to try to, but I believe that the people in Leaf Rapids, as against the ones in northern communities and the conditions that are there as a result of that having been developed publicly rather than privately, are going to have far greater opportunity in Northern Manitoba than they have had. So that Part II was used for the Leaf Rapids Development Corporation. Not only do I not have any misgivings about, but I hope, and I can't predict ultimately what finally would happen, I hope that that will be one of the things that will make me most proud of having been a member of a Provincial Government.

Certainly to date the conditions and the way in which I've seen that community develop as against seeing, let's say Thompson develop, and the kind of things that happened at the beginning of those towns, makes me feel very proud that thus far we have done the right thing. I am hoping that economically it will prove to be the case and I outlined last week what had happened.

The third one was Saunders Aircraft. Mr. Speaker, the honourable member says that we were advised against it by the MDC board, that they had written their hands off, that there was no economic basis for the decision whatsoever. I'm not going to go into all of the discussions that took place between the Development Corporation and ourselves. I would agree that The Development Corporation Board had great misgivings of continuing. I would also agree that they said that if it does continue - and the honourable member can read the statement at the time, he can read the statement - that it should be something which the Provincial Government has to accept responsibility for, and there was a joint statement made by the Development Corporation and the government at that time, and I will not try to seek endorsement because there is no doubt that many members of the MDC board did not want to have anything further to do with Saunders Aircraft, but the decision was based on it having to do with amounts of money which they could not deal with.

But as to economic advice, Mr. Speaker, what we were advised in October when Part 2 was invoked, was the following thing: That the staff of MDC, their proposals, the financial analyst that presented the report, presented a report, which I

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(MR. GREEN cont'd). . . . reported on at the time, or if I didn't report on at the time at least I reported the results in the House, that we were expecting to have the plane certified by the spring; that it would cost \$9 million to get that certificate; and at that time when the Cabinet made its decision it had fairly good - as a matter of fact I thought they were open and shut - prospects of \$6 million federal dollars. Now, how do we get \$6 million? \$2 million for two planes which they bought and said they were taking - you know, when you can't believe the Prime Minister of Canada, and perhaps that's what my honourable friend is trying to obscure, as to what the Federal Government said at that time - \$2 million from the Federal Government for planes, \$4 million from DREE, and another \$2 million under what they called a paid grant, \$6 million. We were told it would take \$9 million to get it certified.

So the honourable member now puts himself in this position. The MDC board has already advanced \$22 million. We are told that another \$9 million will get us certified. Six will come from the Federal Government. I want to know what government would not have said under those circumstances, we would be delinquent if we said that the financial analysis says that \$9 million is needed to get it certified, or around there, that the Federal Government is paying six, \$21 million has already been advanced by the MDC board --(Interjection)-- yes.

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

MR. G. JOHNSTON: My question is about the \$4 million concerning the DREE arrangement. Is it not true in any DREE arrangement that there are conditions to be fulfilled and when they're fulfilled then the grants are made?

MR. SPEAKER: The Honourable Minister.

MR. GREEN: Mr. Speaker, you know, that is the neat little deception, I say, that was used by the Federal Government during the election campaign, that when we went down there, when the First Minister and the Minister of Industry went there, and explained that we were in the process of perhaps winding up this company and that there had been no federal input in it, that there was an indication that \$4 million federal will come from DREE. In January, Don Jamieson, the DREE Minister came and said: "Oh, yes, we're prepared to give them the \$4 million after they get their certificate." That was the time that we found out that it was after the certificate. --(Interjection)-- Well, Mr. Speaker, no it is unreasonable. The millions that we needed, and we told the Federal Government, were for the purpose of getting the certificate. If the Federal Government was going to be of assistance to us they knew that the money was needed for the purpose of going for the certificate; and when Cabinet made the decision to go under Part II, I repeat, we were told that the program in the spring it would be certified, by the spring of that year, that this involved an outlay of \$9 million, that we were hoping that there would be roughly \$6 million coming from the Federal Government. Mr. Speaker, I'll tell you what would have been said by my honourable friends. If in October we had said, "No, the Provincial Government would not go," then the Member for Portage la Prairie, the Member for Assiniboia, particularly the Member for River Heights, would have said the following: "The MDC board has already put up \$21 million. You have reports which tell you you will be certified with the expenditure of another \$9 million, the Federal Government has offered you six of that. You are giving up \$6 million Federal Government, you are ignoring the financial reports that you've received from the MDC and you are drowning this company." Mr. Speaker, the honourable member is shaking his head and he's saying: "No, that's not what they would have said. That's not what they would have said." I am suggesting that that is what they would have said.

MR. SPEAKER: Order please. The honourable member state his point of order.

MR. G. JOHNSTON: Well, the Minister stated a question and then he stated what my answer would have been. That is not what my answer would have been at all. --(Interjection)-- My answer would have been that you're building an airplane whether it's certified or not . . .

MR. SPEAKER: Order please.

MR. G. JOHNSTON: . . . where there's no market for. . .

MR. SPEAKER: Order please. The Honourable Minister of Mines.

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MR. GREEN: Mr. Speaker, I can pose in debate a rhetorical question and I can suggest, and on the basis of experience, I can indicate what the honourable member's answer would have been, or what the answer would have been of many people. You know, the press was screaming about Saunders Aircraft, Saunders Aircraft, Saunders Aircraft, why are they continuing it? Then when we announced that we had completed the ST27 program, that weren't going to invest more on the ST28, they had a big meeting at Gimli and got the ST28 in the air - which I think was a great feat and I give credit to the staff that they did it - I was asked, "Why aren't you giving these people more money? For another \$300,000 they could get the plane certified."

Immediately the reverse took place, Now, I am not guided by that. I know that you are damned if you do and you are damned if you don't. That's politics, Mr. Speaker. You know, I say that in the best sense of the word. That the government has to be able to face its critics no matter what it does. Really the only answer that it can have is, which criticism can we most meet; which criticism can we stand up and say that we have done the right thing. I'd say that if in October of 1974 we had said that we are closing up Saunders, we would have had to say it with respect to the following conditions: That the board has already advanced \$21 million; that the financial officers of the board are recommending additional advances on the basis that \$9 million will get you certified; and that the Federal Government has indicated that it will assist you to the extent of up to \$6 million.

Well, if I had stopped under those circumstances, or this government had stopped under those circumstances, Mr. Speaker, it would be a criticism which I couldn't face. What the honourable member says, we can face. We did at all times what we considered to be the right thing. The Manitoba Board of Directors with regard to Saunders Aircraft, who are the ones who have to advise us, said that in replacement of the federal base, which was taking \$9 million out of Gimli, there is a chance of dealing with this aircraft. They advanced first of all on a program which was going to deal with the SB27. They found they couldn't get that certified. They recommended a program which would build an SB28. They gave us the number of sales - this is to the Board of Directors - and they continued to advance money to that company. Things did not work as they should have. You know, the Federal Government in the Province of Nova Scotia, the Liberal Federal Government in the Province of Nova Scotia for years was pouring millions of dollars every year into uneconomic coal mines, because they said that they had to maintain those communities. I rather think that that was maybe a good thing. I think maybe those coal mines are going to come back. But for years they have been paying money merely to keep people living and coal mines which are uneconomic.

The Federal Government in Gimli paid \$9 million a year, taxpayers' money, to house, to clothe, to feed, equip, and otherwise deal with a whole community of people who did not add one item of improved shelter, improved clothing, improved nutrition, improved material conditions to the people of the Province of Manitoba, on the assumption - and this is something that I'm not really going to argue - that Canada needs a military presence and that it does us good. Well, I'm not going to argue the whole thing. All I'm saying is that \$9 million a year was spent on that. And when that dropped the Manitoba Government and the Development Corporation, which was responsible, could not have said, "We are going to do nothing." So we tried to do something, Mr. Speaker, and it didn't work. It didn't work, and when we were faced in the spring with not only the fact that the \$9 million wasn't going to get us certified, which is what we were told, this was not something the Cabinet dreamed up, but the financial analysis that we were given, that not only would \$9 million not get us certified, not only have you not received a cent from the Federal Government but you are, in dollarwise further behind in certification than you were in October, because now you'll need 12 million to get you certified. And when we were told that, Mr. Speaker, when that was the analysis, then I tell you it wasn't the financial officers of the board that asked that this be stopped, a policy decision was made by the government, that we are going to have to limit this program. And I announced to the honourable members last year that this was being done.

So when he is talking about Part II of the Development Corporation, that's probably the best thing about the Development Corporation under this government. The one

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(MR. GREEN cont'd). . . . thing that I can say which makes the Development Corporation distinctly of greater integrity as it is now operated as opposed to how it was operated before, is that the Churchill Forest Industries Complex was dictated, as found by the Commission, to the Development Corporation by the government, but it was under Part I.

We have said, that whenever the government is the body which is essentially, making the decision, we will show that as being the case, and as we will accept responsibility for that. And, Mr. Speaker, we have done it on several occasions. I've indicated those that I remember.

The first was with regard to Tantalum, which I had forgotten, which was a very good thing. It's probably one of the best investments that the Development Corporation had.

The second was Leaf Rapids Development Corporation, which I hope will justify the years that I've spent in politics. I'll wait. I still haven't delivered judgment on that in my own mind. But the concept I believe is right and it was certainly worth the try.

The third was Saunders Aircraft. Saunders Aircraft was started by the Development Corporation under Part I. It was continued under --(Interjection)-- Versatile was done under Part I.

There was a different relationship between the board and the government at that time. At that time, and I've indicated this from time to time, the board did meet with the government with regard to certain investments that were being made, but Versatile if we discussed Versatile and certainly we approved Versatile, no doubt about that. That was also very good except for the legal advice that we got. That was a very good deal, and did a good thing, did a good thing. And we were involved in that one, yes. --(Interjection)-- How did we approve Versatile? I am telling you, Mr. Speaker, that Versatile was approved by the Cabinet of the Province of Manitoba. It was discussed between us and representatives of the Development Corporation board. We were the ones who said what we wanted to happen, the Development Board discussed it with them, and it came into being but it was certainly approved by the Cabinet of the Province of Manitoba. There was no doubt about it, the Premier announced it in this House.

How did we help Versatile? Mr. Speaker, the honourable member is asking that as a serious question? Do you know these people, P . . . and Robinson? Mr. Speaker, if there is anybody that hates government - I really respect this because I'm not all for thinking that government should control my life, but if anybody hates it with a venom and with a pathological hate, it's P . . . and Robinson. They hated the Roblin administration. But they loved their business more than they hated government. And they couldn't get money from anybody. They couldn't get money from a soul. They went everywhere and they were told that they were finished. And then, Mr. Speaker, as much as they hated us, not only did they hate government, but they hated the New Democratic Party Government even worse. Not only did they come to us, but they came virtually, and I don't want to overdo it, they were at their wits end, they were finished, and they came to the Government of Manitoba and we entered into an agreement with them, which said that we would guarantee them \$6 million on the basis that we would have an option to purchase one-third of their shares, that that option would be exercisable whether they drew down on the \$6 million or did not draw down on it. I am more sure of that than I have been sure of anything that I have ever told this House because I asked the lawyer right across from me that I want to know that I have that option whether they draw down or don't draw down. And he said you will have it. They then took their \$6 million covenant and went to the banks - and you can as the Member from Minnedosa, if it's not then easy, that if you've got a \$6 million covenant from the Government of Manitoba it's easy to get money from any bank --(Interjection)-- \$7 million? - and they then drew from the bank instead of the government, and then took the position that not having drawn down on the government's guarantee they didn't have to give us the option. And rather than fight about it at the time - and I'm not sure that we shouldn't, maybe that's second guessing ourselves - that we said, well, we've put the industry back, the jobs are there, it's a healthy industry in the Province of Manitoba, we will let it go at that. If we had those one-third shares now we would have one more profitable company to report back on the books. But we didn't get them. And I blame, Mr. Speaker, because I didn't want the option, I wanted one-third

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(MR. GREEN cont'd). . . . of the shares right away, and our solicitor told us that we are much better off with an option. --(Interjection)-- Well, then it came a big success. Well, Mr. Speaker, you know, I have never yet heard it as a complaint from my friends across the hall that private enterprise should be condemned because they are selling their product for what they can get for it. And if that's the case then, it's the people of this province, and finally there is something which my friend and I have in common, that no private enterprise does anything, it's the people of this province that keep them all alive. --(Interjection)-- That's right. It's the people's money, not the money of those whom we call the private enterprises.

MR. SPEAKER: Order please.

MR. GREEN: Right, the hard earned money of the people of the Province of Manitoba. The people. Is it only the farmers that work hard? Mr. Speaker, is it only the farmers that work hard? Is it not the packing house workers who buy products from other people, who buy the bread? Is it not the packing house workers who buy the bread that's made from the wheat that's dug by the farmers, that are also putting up their hard work? And that's the only work - finally the honourable member realizes something - that's the only thing that has value, that has real value. You can take all the stocks, you can take all the bonds, you can take all the currency, you can take every mortgage document, you can take every piece of paper representing a security and burn them, and the country would not be one cent poorer if the people performed the same work as they were performing before. Because that's the only source of wealth. There is no other source of wealth. The only things the other things do is create confidence that one person will produce as against a security that is being held. So I agree with the honourable member, but the fact is that that's how we helped Versatile.

So when the honourable member is talking about Part II, you know, and we'll get back to the Development Corporation and we'll deal, Mr. Speaker, with regard to Crocus Foods, we told the Development Corporation that the Province of Manitoba is talking about going into a whey producing program, that we would guarantee them a loan under Part I, if they made the loan, and that eventually we would deal with that project. We did not go into Crocus Foods under Part II. The Development Corporation decided, for good or bad, that it would be done with a producer's group in the Province of Manitoba. They didn't happen to do it, and that's where it rests. But Crocus Foods, what we did with Crocus Foods was tell them that there was a rapeseed plant that we're talking about, but we did not proceed. Well, Mr. Speaker, we did not proceed. There was a \$113,000 advanced, or a \$160,000, and it was advanced initially under Part I, because we told them that we would guarantee it under Part II, and subsequently the money was paid by the Department of Agriculture. Is the honourable member going to make me a liar for not mentioning Crocus Foods? Crocus Foods was not proceeded with. There is not a cent in the \$25 million that was spent under Part II which could be attributed to Crocus Foods. That was repaid by the Department of Agriculture. So that figure is not included there.

So the one that is a problem, and I recognize it as a problem. We all recognize it as a problem, and you will have your go at us on that issue the same as the Conservatives, as the Liberals in New Brunswick will have their go at Hadfield on the automobile company, Bricklin. And the same way as the Liberals went at the Tory in Nova Scotia on the heavy water plant. And the same way as the Tories went at the Liberals in Newfoundland on the petroleum . . . Well, Mr. Speaker, we will all debate those things and in each case what is going to be looked at, what is going to be looked at is what was done, was it reasonable in the circumstances. Was the government operating as one would hope they should operate? Were they trying to hide something?

Mr. Speaker, I believe that we would have been in a far worse position, in October of 1974, if we said that with a \$6 million federal offer and the reports, and the information that we need \$9 million to get certified, and at that stage we will be able to produce three airplanes a day, and have a certified aircraft, and that at a provincial expense of an additional \$3 million, the people would have said, "Having gone as far as you had gone, you had an obligation to see whether they could perform." They didn't perform and we said, enough is enough. And that's the stage at which we said it. And I suppose it could have been said at dollar one, it could have been said at \$5 million, it could have

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(MR. GREEN cont'd). . . . been said at \$18 million, it could have been said at \$21 million. It was said at the figure approximately \$30 million, and the rest of the money that was expended was really spent for the purpose of getting as much as we could out of what we were already committed to, and finishing the SB27 program with the eleven aircraft.

So, that's the story that the people on this side of the House, that the government is going to have to be able to justify to the people of this province. But it is not, Mr. Speaker, as the honourable member has said, that everything that we have done under Part II has been a failure. As a matter of fact, some of the things that we have done under Part II have been very good. And since 1973, this was a change merely in the emphasis, we have told the board of directors and they have acted accordingly, that they are to try and concentrate on getting the best performance they can out of our existing operation. We went before committee the other day. Mr. Speaker, I can remember when we went before committee when there was one balance sheet with a profit side. Now, the honourable members don't want to talk about it, but the Phoenix Data is showing a profit this year, Dormond Industry is showing a profit this year, Morden Fine Foods is showing a profit, the Macey Foods is showing a profit.

These companies,- and I'm going to deal with more than that, I'm going to deal, Mr. Speaker, and the Member for Portage la Prairie has a list of it, and it will come out, and I hope we will have time to debate it. I will show you the total amount of money that has been spent by the Development Corporation. I will show you the total impact on the Province of Manitoba vis-a-vis jobs, and support to other industries that are operating in the province. And I will show you the total dollars spent. As against that, Mr. Speaker, I will put the amount of dollars that are spent every year - and I'm not begrudging this, it is a necessary expense - on social assistance payments. And, Mr. Speaker, there is no comparison. I'm not saying that you will eliminate the social assistance payments by the moneys that are spent on the MDC, but what I can say is that what we do under the MDC, if it works, is a permanent asset which will be much better than providing social assistance either to individuals in the province or to private companies in the province. You know, which is done every day. The Honourable Member for Portage la Prairie who says that we have wasted taxpayers' money under Part II, ignores the fact that the Federal Liberal Government is \$96 million in social assistance grants payments to private industry in this country, for which they show not one cent of loss on their books, because if you give a gift you don't have a loss, and on which not one cent of interest is charged. It is a gift to those people. Taxpayers' money - and it is completely at the disposal of those companies.

Well, Mr. Speaker, I mean I'm going to have to go back to the public and justify the positions that have been taken by the Manitoba Government and to try to indicate that howsoever there are problems, in the long run what we do has a philosophically sound direction, which I would ask them to abide with, and that's asking the people something, I know. But I will ask them. And the honourable member can go to those same people and tell them, it's no good to have the government trying these types of things, it's better to give \$100 million a year to private people who will then run around extolling the virtue of their rugged individualism and the great validity and effectiveness of the free enterprise system.

You had your argument, I'll have mine. But let's keep the facts clear. The under Part II, what we have done, is what I have indicated and not what the member has indicated.

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MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. FRANK J. JOHNSTON (Sturgeon Creek): Thank you, Mr. Speaker. When I got up previously to speak, I hadn't had the opportunity of just hearing the Minister's last few words. Now I've heard them and --(Interjection)-- No, not really. I'm a little bit concerned. I would hope that the Minister does not feel that because we debate different projects within the Legislature here, or any other Legislature, and the fact that the Liberals take off on the Conservatives, or Hadfield, and the fact that we take off on them regarding Saunders Aircraft, and it's perfectly normal for some other government like themselves that take off on us about CFI, that it reduces the seriousness of using people's money in industry at the present time. And I sincerely hope the Minister doesn't have that attitude at all.

I only want to enter the debate regarding Saunders, and if the statements about Saunders which I was going to say earlier, I have something else that I want to bring up in this particular debate, well I don't go back to where it was Part II. I repeat again what I have read in this House before in 1971, the Federal Minister, Mr. Jamieson advised, advised a group of people from Manitoba, the Minister of Labour being one, the Minister of Industry and Commerce being another, in Ottawa - and I can name men that were there, the Member from Minnedosa, the Member from Assiniboia, the Mayor of Winnipeg, the Member from Marquette federally - said the . . .the aerospace industry, the airplane industry is in the worst position that any industry could ever be anywhere in the world, and we're no different in Canada, it's bad all over the world, he said. We're no different in Canada, and I'm having a terrible time trying to see that those that exist can keep going and we come back from Ottawa with that information, and we were down there at a time, and a chartered airplane with the people from CAE, to get more work for CAE, which had been promised to them, we were down there at that time and we got this information and they came back, and the Minister of Industry and Commerce, the Member for Brandon East, at that time was in charge of the fund and he went into the aircraft business. Now that is going a long way back. I agree with the Minister regarding the Federal Government's promises to buy airplanes etc., I think that after they were into it and the promises that came from the Federal Government when Part II was put in force, the certification, etc., did let them down and deserves to be told that they led Manitoba down the garden path. But I assure you that in the beginning, 1971, this government was told that the aircraft business was the worst in the world and very bad in Canada. And that the support of coal mines to keep people working is not the same as going into a new business, they were there and to close the door, would put people on the streets. So you have to look at those things, any government would.

The Saunders venture is one that is very large capital and not successful, and the Minister has heard me say before in this House, we have learned, the Conservative Government has learned; the Conservatives obviously in other parts of Canada have learned, the Liberal Government has learned, federally and provincially, all governments have learned that high capital intense businesses at very large cost to the people are not successful, absolutely not successful, and they end up taking money out of the people's pockets. We just don't make a profit to put back into the government, to help the people in these types of businesses. The businesses the Minister mentions that are successful in Manitoba are smaller and more logical businesses for the Province of Manitoba. But stay out of the airplane business and, Mr. Speaker, now that the Premier is here and he's heard me say it before, Mr. Jamieson told them in 1971, stay away from it. And the Minister of Industry and Commerce, the Member from Brandon East, came back and he jumped right into it with both feet and I imagine he had the okay of the Premier and the Cabinet to do it.

Mr. Speaker, what I want to ask about in this particular debate is similar to what I have been saying. I am concerned and I would hope that the First Minister and probably the Minister of Mines can advise him. I am reading from Hansard of Friday night, a very late night in the House, and the figure registered in my mind when the Minister of Mines said it, and I am concerned. "There is a \$26 million uncommitted authority from before which leaves an amount of money in the neighbourhood of \$26 million. Mr. Chairman, I can only say to the honourable members that of necessity,

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(MR. F. JOHNSTON cont'd)of necessity I cannot be too detailed about what this amount of money is for but I can tell the honourable members it is not for existing profiles - portfolios," pardon me, I'm sorry, as I said I'm not reading well. I'm just so nervous that they're going to take \$26 million and go into some big new business again that it isn't even funny. Now, "and it is very unlikely that it will be used," he adds, "but the authority has to be there in the event that one, two, or three, or four things that are being looked at, may materialize." Now I'm starting to get even more worried the further I go here. "That the Board is still involved in considering propositions, in considering things. The other funds are considerably lower than have been demanded or asked for previously. I am still hopeful and I will concede to the Honourable Member from River Heights, that the projections have not materialized and I am just as disappointed about it as he is." I admire the Minister for saying that. I admire him for standing up and saying about Saunders Aircraft, as I wrote it down, "It didn't work." It didn't work, shouldn't have gone into it to begin with, but it didn't work.

Now, Mr. Speaker, I am concerned that this government has not learned the lesson of previous governments of Manitoba and other governments in Canada, provincially and the Federal Government, that it's a pretty rough road on the taxpayers in Canada and the provinces when governments start to go into great big businesses. And there's no question about the fact that - and I say that over the past few years we are proving that in the smaller type of businesses that are right for Manitoba, we can keep people employed and we can see the cost benefits, but we don't see them in these high capital intense businesses.

So, Mr. Speaker, I'm worried that there's \$26 million kicking around and this government hasn't learned their lesson yet and they're going to jump into another one just as sure as anything, and, Mr. Speaker, I only want to advise them not to for the sake of the people of Manitoba.

A MEMBER: The elections are coming, Frank.

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

MR. GEORGE MINAKER (St. James): Thank you, Mr. Speaker. I intended to go on this subject later tonight but I think it would be in the interests of the House to keep the debate going rather than the First Minister having his opportunity at this point to adjourn the debate.

I would like to make a few comments with regard to the operation of the MDC and particularly to direct them to the Minister responsible for the operation of this fund and I hope that the Minister will be able to come back in the Supply Bill later on and answer some of these questions because I will be raising them, and I hope that the Honourable Minister will possibly answer them or the First Minister himself.

The Honourable Minister responsible for MDC points out very clearly I would think, that in his opinion it's much better to create some kind of business action in our province that would create some kind of employment, whether it be long-term, short-term, rather than go into the welfare principle. And that's a hard argument to argue against and we will not necessarily attempt to argue against this principle, but that is one basic philosophy that I have which the Honourable Minister does not agree with, and we could debate till the end of the earth I guess and will continue to.

What I would like to comment with regard to the Minister's attitude where he is proud of the fact that he is able to state that we've created jobs, whether it be for short-term or long-term, that it makes better sense than dishing out welfare. But I would like to point out to the Honourable Minister, Mr. Speaker, that this type of thinking may well work if the end product is consumed within the province, but what happens when the end product goes beyond the province? This further complicates the picture because then what we're asking the people of Manitoba to do is if you are not operating these companies efficiently and to date one can hardly point a finger to one that is operating. There are a few, but there are many that have not operated efficiently and it seems to be a problem of a government-operated company, that one cannot seem to find its way to make a profit, or to even break even. So what happens- and I'd like to point out an example. If we compare Flyer Industries or Saunders or even W. E. Clare, compare the

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(MR. MINAKER cont'd) three, these three particular companies, and I think the one that the government would probably want to forget, of any of them, might be W. E. Clare because that without a doubt is an embarrassment to them. Saunders, they have particular points that they can draw out and defend, but with W. E. Clare, I think that is one particular company that slipped in there that the government is very embarrassed about and would like to forget about it if they could. Now hopefully some day for the good of the people of Manitoba, I hope that their gamble pays off. I sincerely hope that it does pay off and we get back some of that \$1.8 million.

But if we do compare the logic of the operation of MDC, that 1) it is to create employment in our province. Hopefully this is the objective. And 2) to stimulate the economy. And also at the same time to develop some expertise that maybe is not here in our province. But what has happened with Flyer? Well, it's created local employment, there's no doubt about that, that there's some 600 people working there today, I believe. Saunders, it created local employment for a period of time and it still does, but to a great degree the moneys spent to create this employment, were they really justified? Not only from the social point of view but the economic point of view, because while it thrived a few years back with 500 employees, it only did so for a short period of time and then it started to die off and today we're looking at 10 employees that Saunders is now employing. And what happened with W. E. Clare? Everybody knows that there was - I think what? One and a half or two employees that were employed locally.

But the key of the thing is, Mr. Speaker, that what are we left with now that we're looking at these three companies? There has been some local employment, but what about the outside employment that was brought in and has left in some of these companies? I know there was a fair degree of turnover in the Flyer Industries and this is natural in a corporation, that you're going to have a normal attrition of either people leaving or being fired and so forth. But I think Saunders was the prime example of where the objective of trying to get that economy rolling or trying to create some type of job rather than welfare can be exploited by outside people, and it was quite obvious that people came from outside the country, not only from Europe and England but also from the United States, with this expertise knowledge which was required for the development of this product. But where are these people today? They're gone, they came in and took their money for their services and they left. And many of them left without paying their taxes because they were on a contract basis and were able to, I guess legally, collect their income and not be required to pay taxes. And we know that the majority of the employment required in the development of the W. E. Clare occurred actually outside of our province. The expertise in most cases was done outside of the province, in Toronto or Vancouver or in the States, and that there was some local input from the authors, but the majority of the moneys expended were outside of our province.

Well, Mr. Speaker, what has happened? Has the expertise stayed? Well I guess if you call the development of knowledge of welding and riveting and the assembly of aircraft, that I would presume that there is still some of the local people in Gimli residing there, or is now in Manitoba. So there has been a bit of that expertise remain here. But the technical expertise I would suggest has gone elsewhere. It went back home to England; it went back home to the States, and in many cases was never here on an established basis. And then, Mr. Speaker, this is my major concern and our party's major concern, with this type of approach just for the sake of getting in business or for the sake of creating jobs in our province, that it appears the government hasn't looked at what happens if we cannot operate this company efficiently, and that we have to subsidize that main product. Is that product consumed here in Manitoba. At least if we are subsidizing it, the government is subsidizing it, are the local people who are paying for the subsidy, benefiting by it.

And we look at Flyer, and I think this is a prime example, that yes, buses are consumed here, they're used here by the cities. But when we raise the question, Mr. Speaker, on when were the buses for the City of Winnipeg going to be delivered that they ordered back in 1974, the Chairman of the MDC could not answer. Yet they're busy pumping out the buses to the various contract commitments that they have in the States

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(MR. MNAKER cont'd) and elsewhere in Canada. And when we raised the question: Are you selling them for what they cost you to make? He said no, and some quick calculations, one can estimate that they must be subsidizing the cost of these buses by some 40 percent. So here is the irony, Mr. Speaker, that with this philosophy we are now subsidizing the transit systems outside of our province, when we cannot even get the buses that this government promised to subsidize for the City of Winnipeg.

How does this compare to Saunders? There were a few airplanes consumed within the province - I believe there's two, I think St. Andrews bought one and I'm not too sure whether there's another aircraft, I think there's two out of the 13 that have been manufactured. Well there the percentage gets a little better, out of the total product. But in the long run if this company would have worked and had become successful, the major consumer of the product would have been outside our province. It's only natural, we're a million people. But if we had continued to produce this aircraft, and the Chairman of the MDC answered back very clearly when the question was raised: How much do these airplanes cost, in the neighbourhood, to manufacture? And he said about \$1 million. The Honourable Member from Portage asked: What were they sold at? And he said an average of \$525,000.00. Well here we're subsidizing again. But the other criteria of the thing is how much was the subsidy going to be outside the province? Well we looked at Saunders, it looked like about 50 percent on the aircraft. And at the present time, with the information that we have on Flyer, it looks like it's in the same neighbourhood or general neighbourhood, that this subsidy of the end product is going outside of our province. And with W. E. Clare we don't know whether it will be a success or a failure, but all of that subsidy has gone outside of the province at the present time because the Americans or the United States are the only people that are going to be buying this particular set of modules for mathematics at the present time. So that here, with the main criteria of, let's create jobs, let's get the economy going rather than putting them on welfare, one starts to wonder, is this the right approach? Is that the major criteria that the MDC is operating under? Because that is what one would get from the comment that the Honourable Minister made earlier in his comments.

Mr. Speaker, we asked the Chairman of MDC the other night: What are the guidelines? Is it still the basic guidelines that were given to you back in September of 1973? And he said yes. And we raised the question, and I hope that the Honourable Minister responsible for MDC will have a chance to answer this question. We asked them: What is the government's idea or policy with regard to looking at a large investment of public money in a new industry? We have not had that answer and it's important to the people of Manitoba that we do get this answer. Because what is the basis or criteria that MDC uses if you're looking at internal financing of the end product? And what I mean by that is, in the case of Saunders, Saunders Aircraft Company financed the aircraft they sold to Columbia. We now have heard that the Columbians aren't even paying for the few that they have now. So here, if we were to ever make this particular plant go and grow, we were looking at hundreds of millions of dollars in financing of the aircraft. What kind of policy is this government putting forward with regard to deciding whether an industry comes in here if the end product in order to sell it, they have to internally finance that sale? We have never had that answer, Mr. Speaker, and that's a very important answer that is wanted and needed by the people of Manitoba.

Mr. Speaker, the other question that we would like to raise is that what is the general policy of the government with regard to the technique of selling the end product? We know, and we've had the answer from the Chairman of MDC, that in the case of Flyer they wanted to get into the business and they just went out and grabbed the business. They didn't know what their costs were and we've had a fair degree of questioning and debate on the ability of Flyer Industries to be able to cost account their product that they are constructing. We would like to know what is the technique now? Are they going to go out on the basis of selling the product at a profit, or are they going out on the basis of selling the product to get the business going so that instead of paying welfare they'll have somebody working within the province? But in the end the taxpayer within the province will be subsidizing some user outside of our province?

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(MR. MINAKER cont'd)

These are the questions the people of Manitoba are raising. These are the questions that we raise and believe that the people of Manitoba deserve answers to, because we have now been advised last year, and it's quite obvious by the Minister responsible for MDC that this government plans to go into business more and more and almost create the political type of atmosphere within our province that justifies them going into the business. I particularly indicate this with regard to the mining and the oil industry. We've had the Minister make statements that: "Fine, if you people want to come along, we'll use you. Or you can come along with us," I should correct that. He didn't say "We'll use you." That's my own interpretation. But the Honourable Minister said "If you want to come along, fine. If you don't, we don't need you."

But what has happened in the oil industry? The exploration of it? We have seen that the government through its corporation has been able to get a small private developer or producer interested from the United States. Last year they've been able to get another small company fairly interested. But now, what do we have occur on the recent date of May 26th of this year? We now have the Mines, Resources and Environment Management's passing an Order-in-Council for investing some \$353,000 in exploration with no other than the Canada Development Corporation Limited. So it now appears that even when they are offering this 50-50 exploration with the oil companies, the only people they can now get interested is a cousin of theirs, the Canada Development Corporation, that this political atmosphere that is being created in our province is discouraging the private people to come in. Is it any wonder when one reads what the Honourable Minister in a comment to - a meeting I believe was held here in Winnipeg and sponsored by the Winnipeg Society of Financial Analysts - the Minister said: "Manitoba has looked at what the mining industry is doing, likes what it is doing, and hopes to do the same thing."

We have heard the First Minister indicate that there are some millions of dollars being put forward for various projects, but he's not really coming out and saying what they're for.

We've heard the Honourable Minister responsible for Mines today say in his debate, that Tantalum Mine is probably about the best thing we have. We also have had an answer in the Economic Development Committee the other day that they are looking at a further expansion of that mine of some \$15 to \$20 million. So we are on another Flyer with this particular one, because the basic attitude of this government and the Minister is that they do not want private development. They would rather get that public money involved so that they won't have welfare, or that they will keep that economy rolling.

But what has happened because of that attitude, Mr. Speaker, with regard to exploration? The Honourable Minister was very proud to stand up and state in his presentation of his Estimates that the government has been able to keep pace with the past four-year average of exploration. But how have they been able to keep pace? By putting public money into it. Putting public money into it, and he admitted - and I'll grant the Minister this - that in actual dollars it may have not kept up because of the inflation costs. But really what the Minister is saying is, that he's been able to keep the exploration pace going by the influx of approximately 50 percent of it by public money.

Well, how can we expect private industry to be encouraged to continue in this because of this political climate that is here in our province, and it is in our sister or adjacent province with regard to the potash mines. This in our opinion is the major problem in this general area at the present time, it is the political atmosphere that this government has created, because there is no doubt there is interest by the mines and petroleum people in our province, but it would appear that all they can get interested at the present time - and the Honourable Minister was not in his chair when I mentioned it - was that particularly in the oil fields, that the only people they seem to be able to get interested now is their cousin in Ottawa or the Canada Development Corporation interested in exploration at this point in time; and which is somewhat irony when one thinks that their former Canadian National leader in his views on corporation bums,

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(MR. MINAKER cont'd)that now they have probably tied up with the biggest corporation bum in Canada, one would think. It's backed by the Government of Canada. So here we have an irony occurring in the development or exploration in the oil fields within our own province.

So, Mr. Speaker, I hope that the First Minister or the Minister responsible for Mines and MDC at a later point in debate on the other bill, will be able to answer some of the questions and concerns that we have raised; and that this government will change its attitude towards private enterprise, because it is needed here for the development of our province, for the development of permanent jobs, not ones that last for two or three years until the money has run out or the government is politically embarrassed not to continue to pump money into a project that they have decided on, one that will keep going and keep providing jobs and add to the stability of the economy of our province.

MR. SPEAKER: The Honourable First Minister shall be closing debate.

MR. SCHREYER: Mr. Speaker, the Member for Portage la Prairie and the Member for Sturgeon Creek and the Member for St. James have all made interesting contributions to the debate. Also I should include in the list, although he made only one comment, but it was a most significant one, the Member for Rock Lake.--(Interjection)--

A MEMBER: How about me?

MR. SCHREYER: The Honourable the Minister of Mines I did not include on the list because he is my colleague.

I want to begin by saying to the Member for Portage la Prairie that I wonder if he would regard it as a fair summary of his remarks, that in proceeding with the decision-making that has to do with the possible economic development of the province and all of its related social considerations as well, that the basic guideline should be that if anything is done under Part I of the Act then it is probably okay, and if it is done under Part II it is in all probability not okay. That's his basic assumption. I want to tell him that with respect to Saunders Aircraft, that in fact the decision was taken in the initial instance and for quite some time under Part I, it was not initiated under Part II. Indeed I will be so blunt as to say that it never came to Cabinet for approval in the first place, but only after it was some time down the road and at that point in time that there is some Monday-morning quarterbacking to go on and second-guessing, which is fair game.

The responsibility for the course of events is entirely mine. It is entirely mine, Sir, because my colleagues were of the distinct impression that this was not a very comfortable area, for those who like to sleep easily, for a province to be involved in. But of course, Sir, that is to allow fading memory to forget the fact that at the time when the Board of Directors of the Manitoba Development Corporation on the recommendation of the then General Manager - and that wasn't Gordie Howe or Mr. Grose, as he is sometimes nicknamed, but his immediate successor - the recommendation was for the MDC under Part I in a conventional and routine way to proceed with the financing of this operation. And at that time, interestingly, there was, as I subsequently ascertained, approximately one and a quarter million dollars of private enterprise risk capital financing coming from one of the larger eastern Canadian-based supermarket chains. That's not directly germane, Mr. Speaker, except it provides a bit of - well, yes it is a bit of relevant background.

At the time as well, it should be remembered - and this was why, obviously in retrospect in error, but it is why I felt that the decision having been already taken, it was prudent enough to proceed on the basis of the advice that we were getting at that time from the management and the staffing of both Saunders itself and of the MDC, that we should continue to carry on with this operation based on the following assumptions:

1. That while it is true that no aircraft industry exists in the world - with one notable exception, Boeing, and only Boeing, there is not a single other aircraft manufacturer in the world that does not exist without the support of governmental financing. And that in Canada, based on the undertaking given by the then Minister of National Defence at the time of the delegation from Gimli meeting with him in the Centre Block of the House of Commons, that the Government of Canada would stand ready to provide the kind of support that would make it possible to provide alternative civilian employment upon the

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(MR. SCHREYER cont'd) closing-out of the Canadian Air Force base at Gimli. That undertaking was given in clear and ringing tones in the presence of a delegation of at least 20 plus in number. I was, I think more than my colleagues, so naive as to believe that that coupled with the undertakings with respect to DREE and PAIT, and the evidence as to the amount that Canada was putting into aircraft manufacturing in eastern Canada, obviously I was more naive than my colleagues in believing that they would make proportionate effort insofar as aircraft manufacturing in western Canada is concerned, and particularly at the site of a closed-out Air Force base.

My honourable friend, the Member for Portage la Prairie - and he is my friend, Sir - knows, I believe he knows that involved in this whole episode has been a case of one federal undertaking of solemn intent after the other being simply conveniently put aside at a moment convenient to them. It is, to put it in blunt language, a kind of dastardly, bastardly episode on the part of the Government of Canada, and there can be no other way to describe it with sufficient emphasis.

Is there any doubt, Sir, but that in the case of De Havilland of eastern Canada and Canadair of eastern Canada, that without hundreds of millions of dollars of federal support, aircraft manufacturing there would be non-existent as well. What could be more ludicrous than to continue the fiction that, for example, Canadair, CFI was a viable model if they hadn't been buying it, and as soon as they bought it put it in mothballs under the pretense that it was some future usefulness to the Department of National Defence.

We proceeded on the basis of the assumption which we had a right to make, that there would be at least proportionality of support from Canada with respect to aircraft manufacturing in western Canada relative to De Havilland and Canadair, proportionate to population, east and west and so on. At a point in time, roughly around 1973, early 1974, we had every reason even then to believe that the amount of support would be in the order of 6.5 to \$10 million, except it never materialized in the way in which we were given to understand. If there is any fault to be assessed, Sir, it is mine I repeat, because I for one was never that cynical about Federal Government ethics or intentions. It's surprising how little is said by Canadian citizens about the kind of episode that is current today in eastern Canada with respect to De Havilland and Canadair where the amount of pouring in of Federal Government financial support is seemingly unending.

The Honourable Member for Portage makes the point, and I find it difficult to challenge him on it because it is so highly subjective, his opinion, my opinion, other opinions, that the particular model ST-28 was not likely - and one should have known the implication - that it was not likely to attract the kind of sales that would be necessary to bring it to within the ballpark of viability. Well I can tell him that the management of Saunders commissioned a consultant firm, and they were a consultant firm recognized by the Civil Service mandarins of the Government of Canada as being prestigious enough, or a competent enough consultant firm, and they came back with a report that for the kind of aircraft involved that there was reasonable prospect of sales in the order of \$150 to \$400. Now we are witnessing the same kind of second-guessing game insofar as De Havilland's Dash 7 is concerned. Does anyone know whether or not that aircraft will even come close to selling sufficient hundreds of copies to become viable, because the amount of input in Dash 7 is well in excess of \$100 million, it will be substantially in excess of that.

Well, Mr. Speaker, again if one wants to indulge in subjective opinion, I would say that it is my personal opinion that the Dash 7 is not about to become viable during our lifetime. Nevertheless they proceed because they are involved there with the effort to try and maintain Canadian capacity in aircraft manufacturing, and at the same time, whether for reasons of national prestige or concern about pocket of unemployment, Metropolitan Toronto or Montreal, they are maintaining substantial financial effort in support at De Havilland and Canadair. And I may add that it's not as though they simply put funds in in order to maintain two existing employing aircraft manufacturing companies in order to maintain employment. But they carry out a policy decision which I find reprehensible. They actually put good money into the buying out entirely of the previous equity holders so that they in turn could simply take this manna or windfall

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(MR. SCHREYER cont'd) from heaven in the way of \$30 - 40 million in cash, so to speak, and simply walk away with it and reinvest it elsewhere in the world. Now that I regard, Sir, as going far beyond any government's obligation to try and stabilize employment by injecting funds. They did that, but in addition they put good money into the buying out of existing and committed equity investment by private entrepreneurs. There, Sir, can be no possible justification for the latter whatsoever. The former I can at least begin to accept as being an effort perceived as necessary by a government to stabilize employment and maintain something that otherwise wouldn't be maintainable by the private sector alone. But to go beyond it and put 30 - 40 million each, in each case, De Havilland and Canadair into the buy-out of committed sunk investment by private entrepreneurs cannot possibly have justification. But it was done.

I might say too, to the Member for Portage la Prairie, that among the factors that was always in consideration at a time when the Cabinet became directly involved under Part II, was not only the amount already invested under Part I, but also the fact that we kept getting these intriguing letters from the then Federal Minister of Transport, from the Ministry of Transport, Ottawa, saying that matters were proceeding well with respect to the certification program. I even have a letter on file which says - and quite frankly I don't quite know how you can quantify it so neatly - it says that matters are proceeding well and the aircraft is now 85 percent towards complete certification. Mr. Chairman, my colleague, the Minister of Mines and I both felt that this was indeed the height of dilemmas. Does one stop cold when one is 85 percent up the mountain? Does one stop or does one try to scale the peak, so to speak? It doesn't deserve poetic language, but certainly there is a very concrete kind of agonizing of decision making involved. But the initial road was taken, I want my honourable friend to know, not under Part II about which he is so suspicious, but Part I. And also that it was taken, and once involved with, we continued - on my part, and here I accept responsibility completely, the basis of belief of at least an average modicum of good faith, and good intent, the basis of word by the principles of the Federal Government at the time, almost none of which has materialized I might say, to my great regret.

And we have only seen the beginning of the nature of the massive federal infusion into aircraft manufacturing in eastern Canada. Not the end, merely the beginning, and for what? Is it seriously to be expected that we will succeed in building aircraft that will be so hot as consumer articles that they will be sold in the hundreds of copies, outcompeting everything that can be built by firms such as Boeing, or Douglas, McDonnell, Douglas, or Lockheed. I rather doubt it. But, Mr. Speaker, I don't believe I am being unpatriotic in voicing those sentiments when it has become manifestly clear, that for the lack of proportionate support in this part of the country for the same kind of activity as they are prepared to do there, divided by ten, even divided by fifteen, or twenty, I believe we were justified in believing that that was a legitimate kind of proportionate support to expect here in this part of our country, and it wasn't forthcoming.

The Member from Portage la Prairie also makes the point that we have taken a decision to terminate, and he regrets all that's been involved. Well yes, we can all do that. But I happen to recall clearly that last year he was giving us advice as a member, which is perfectly his right, indeed his duty, warning governments that they should be able to take a decision to stop a project no matter how far into it they are. I think if he checks Hansard he will find that that is precisely the kind of advice he was giving. And in this particular context that is precisely the kind of action we have ultimately taken, so he cannot quarrel now that it was a decision that was wrong in these latter circumstances. Well, it will be a very long history in terms of regional development in Canada, proportional regional effort in Canada by the Government of Canada into these kinds of manufacturing opportunities. Aircraft manufacturing is certainly one of them. And I still today am no wiser as to how it is justifiable for the putting in of hundreds of millions of public funds through the aegis of the Federal Government into two very localized places in eastern Canada, and nothing at all, not even to one percentage point, let alone five or ten, anywhere else in the country.

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(MR. SCHREYER cont'd)

I don't want to dwell on that, Mr. Speaker, I want now to deal with remarks made by the Member for Sturgeon Creek. I cannot quarrel with his general premise and general advice that government should be cautious about the dramatic so-called capital intensive high technology type industries, and that governments should be, if at all, I guess in his philosophic view, if at all, government should be looking at - well, for want of a better word, the more modest, the more mundane, the more practical or probable kinds of industries. And I don't quarrel with that approach. It's all very well to talk in theoretical terms about concentrating on high technology industry being the favourite industry, but when all is said and done, if there is occasionally such an opportunity, it is interspersed much more often by the kind of employment creating opportunities that have to do with the kind of business or enterprise or industry that is of a relatively mundane nature, but practical and worthwhile and relevant to the local economy.

I don't think that the honourable member can say that since 1972, approximately, that we have desperately tried to establish so-called capital intensive high technology industry. One of the points I make to the Member for Sturgeon Creek and St. James is, that at a time when our provincial economy is functioning at virtually full employment, and in southern Manitoba that is certainly the case, then there is no economic basis for trying to artificially create industry to provide employment opportunity. But if we are in a situation such as applied 1970 and 1971, part of the first quarter or so of 1972, with relatively higher unemployment, as indeed in the early to mid part of the 1960's, the mid-part of the 1950's, when unemployment did go beyond the long term average for our province, then we do have to look for ways and means of creating employment opportunities, even if this does mean utilizing the instrumentality of government as a stimulus to bring it about.

So I say to the Member for Sturgeon Creek, that we have not in the past three years, nor do we today envisage concentrating on some kind of establishment of high technology industry to the degree and extent that we must be artificial about it. If he is that curious about the \$26 million, I guess this is what prompted the question. I would say to him that he knows it is always been part of the MDC strategy, and really statutory I believe as well. The policy is to attempt to not reveal details of possible operations that are under current negotiations which have not come to fruition, which premature publicity might well thwart and remove whatever degree of possibility exists, and that might be limited. But if I could offer him some hints, not to be humorous about it, but to give him some idea of what's involved, that the one area has to do with vegetables and the other area has to do with medical drugs, and it has to do with large national companies that have assets sufficient to secure any loans against, that are possible here. And that's where it's at. I couldn't possibly, be more specific without impinging on the, I think, good and sound dictum that one should not publicize details that are under negotiation in a specific way. So that's what that's about.

Now the Member for St. James also concentrated on the MDC part of these Capital Supply Estimates, and I would say what the Honourable Member for St. James was worrying out loud about is not new. I suggest that it is an economic policy strategy that is worried about and debated at least since the inception of modern commercial trading, and that is whether on balance, taking all factors into account, export oriented industry is more desirable than domestic market oriented industry. The fact of the matter, Mr. Speaker, is that ideally speaking, the best is a combination of both, and that indeed there are some countries in this world who are far more at the mercy of or dependent on export trades than other countries, and there is precious little they can do about it. I do not believe that it is correct to suggest that Manitoba's economy is excessively dependent on export sales, but every bit of export sales that our private industry can muster is regarded with great positive enthusiasm. And so should it be with respect to any public venture that might be involved. If we can meet local demand, it would be quite limited, depending on the product. And go beyond that and realize export sales. And if this keeps the continuity of employment and the utilization of the productivity

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(MR. SCHREYER cont'd) factor of the plant going to its fullest optimum, then that's what we should strive for. But of course he's wondering whether or not we are directly or indirectly subsidizing our export sales. Well, Mr. Speaker, that's a very interesting second guessing game too. Shall we make a compendium of a list of companies, private and/or public, that have made deals offshore or export deals, and then found in a period of major inflation that they have under-priced on their sales contracts.

Well, I'll give you a dramatic example, I guess it's the most dramatic of all, but it's by no means the only one. Atomic Energy of Canada is losing \$92 million on their export of reactors to Argentina, losing \$92 million on that one order alone. Now the reason for that primarily, Mr. Speaker, has to do with inflation, and the peculiarities of the - one almost has to be a genius. So I'm not faulting anybody in Atomic Energy particularly. They were negotiating in the context of the psychology of Canadian inflation, which is bad enough in recent years, and not taking sufficient cognizance of the fact that for local supplies and local labour in Argentina to do some of the work involved, that that is an economy which was inflating, is inflating, certainly was until two months ago, at a rate in excess of 60 percent per year. If one can imagine that, but apparently that's the case.

There are other examples. There are many private companies, suppliers of goods and services which have underestimated on sales at a time of inflation, particularly if they responded to tender calls just on the eve of a sharp curve or a sharp change in the pattern of inflation. There's no way that they could have been logically expected to anticipate it in the full. One assumes that sometimes the converse applies. And that is that in responding to a tender call at a time just before inflation starts to turn down, and in that case then the supplier could be the winner instead of the purchaser. Well this is all part of the bends and the turns, or the curves, what's the expression? And over a period of a decade or more, hopefully the law of averages and probability is that it evens itself out.

But with respect to Flyer specifically, I say to the Member for St. James, that there are countries in the industrial world that have resorted to not so subtle forms of direct export subsidies, the maximum possible that was permissible or countenancable under the general agreement on tariffs and trade. Indeed some countries have been admonished, because under the general terms of trade they have exceeded what is generally acceptable in the community of trading nations with respect to support for export oriented industry. There are some countries, the United Kingdom is one, by no means the only one, Switzerland, West Germany, that provide export credits, and favourably differential interest rates on loans to finance purchases of a product from their country destined for export. So that here in Manitoba we do not have, and I'm not suggesting that we should have programs of that nature. On the other hand, if there has been some difference as between what was estimated to be the cost of production and which were bid upon and then the order is being filled, in the meantime inflation ensues - well I say, Sir, what else is new? What else is new here, or anywhere else on God's earth, in that context?

Another example I would give to the Member for Lakeside, is just in recent days, we hear of one of the - not the largest, but certainly one of the larger manufacturers of truck and tractor equipment in the United States, White Motor Company, in very real danger of a massive multi-hundred million dollar receivership. And again, partly because of the fact that certain contractual commitments were entered into just before the diminishing of the state of activity of the US economy. So there is yet another example. The psychology that should be avoided if one wants to be responsible about these matters, is the psychology which would pretend that every single enterprise every year in a decade must operate in the black, or close to it, otherwise there is ideological proof that a given mode of operation is inherently better or worse.

I say to the Member for St. James as well that Flyer seems to be his pre-occupation. You know, in some countries the amount of research and development that goes into urban transit development, transportation equipment development, that there is major support from national ministries of science and technology - the US is one, West

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(MR. SCHREYER cont'd)Germany is another, Sweden is a third; I cannot mention others of which I have direct knowledge but I would suppose that there are other nations. And here in Canada we have a rather strange situation where there is one manufacturer in significant - and even it is small in comparison - but the only manufacturer that is providing any significant competition for a giant, and there is precious little support, moral or financial, from the public sector, whether it be federal or whether it be from this House. We have no right to expect it; on the other hand it would not be surprising, and it shouldn't be, if there were some such moral support. I don't know what the object of the exercise is, Mr. Speaker. Is it to begrudge and to belittle something because it is local and in competition with an admittedly impressive giant. But I would suggest it is not healthy for the future of transportation, urban transportation and transit equipment, to have, you know, in excess of 90 percent of the supply capability exist in one corporate entity. On the other hand it is not incumbent on Manitoba to pay any premium to ensure that there is the maintenance of some alternative, and I'm not making that kind of request, but it will be nice to think that there would be some support beyond that jurisdiction of one million people.

I also say to the Member for St. James that if he wonders as to the evolution of Flyer, that he should check the records and he will find that Flyer started out in a conventional enough way, with debt or loan financing, and it was not able to meet its debt repayment schedules and so began the process, by degree, of conversion of loan financing to dead equity financing. And there again I almost feel like saying, what else is new? Those things happen from time to time. But I would say that perhaps nothing more dramatic than the example that my colleague the Minister of Mines gave, that in 1970 I think it was, at the time of the difficulty that was then being - and it was very acute - experienced by the Versatile Company, that my colleague the then Minister of Finance and I had to recommend to Cabinet a course of action which we really believed to be in the long-term public interest, to try and salvage a company which was a significant employer putting out a product which held every prospect of continuing to be a saleable product, but which required financing in such desperate circumstances that there was no remaining unencumbered asset against which to secure any kind of loan or loan guarantee. So on that basis, Sir, on what basis could we justify making this kind of use of the instrumentality of government, the instrumentality of the Crown, except on faith alone. And one should know nowadays that's a perilous road to travel, Sir, in government, to proceed by faith alone, because there is everybody waiting on the sidelines to take shots. That's fair game too under our system.

But I cannot emphasize enough the clarity of the illustration of what I'm speaking, that from time to time, in order to try to create or salvage employment opportunity, it is necessary to proceed in a way in which the instrumentality of government is used in a way that no private financing concern would consider, except on a small scale. Here, in the order of magnitude of \$7 million plus or minus, it was a case of putting financial backing behind an entity that had no remaining unencumbered assets whatsoever, that were not already encumbered, I mean. And here you see, if it had failed then the criticism would have been immediate. On the other hand - the Member for Rock Lake, I thank him for it so much because he pointed out that it succeeded; and it succeeded because the company then proceeded in a more hardnose fashion than ever, to ensure that it never let its accounts receivable get out of hand again, and also it followed a farm machinery pricing practice that was - and why shouldn't it be - as hardnosed as any major manufacturer of farm implements on this continent.

The Member for Rock Lake was quite right when he indicated from his seat that the complete dramatic change in the profit and loss statement of the company is due the fact that - what other reason could there be - prices were adjusted, not only once, Sir, but twice in one year, twice in two years in a row, two years running. So that the cash flow improved dramatically. But a cash flow cannot improve by magic, it will improve if there is a tremendous increase in units of output and/or combined with a substantial increase in unit pricing, which the farmers of this province and other provinces and south of the line pay. Well as my colleague the Minister of Mines tried to point out, indeed what other basis is there? What other? There is no other basis.

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(MR. SCHREYER cont'd) Which makes me come to my final point, Mr. Speaker, that honourable members who attended at the Hydro committee meeting this morning would have had an opportunity to ask questions of whatever kind, and some did . . .

A MEMBER: They didn't like the answers though.

MR. SCHREYER: But with respect to the veiled nonsense, it's both nonsense and it's veiled, that somehow Manitoba Hydro is acting imprudently from an engineering and professional point of view, in that it has over-built and because of over-building has caused rates or pricing to have to be increased excessively - well, Mr. Speaker, are we to assume that it is all right to make any manner of adjustments, one, two, sometimes even three in a given year, in a time of inflation, for manufactured goods such as tractors or cars, or oil, or gas, but not for electrical energy? Well that's part of the nonsense that flows from some of the comments made the other day.

The second point is: Has anyone, Sir, has anyone taken the trouble to do this - to take the average or composite industrial wage level, or average household income level, either of the two statistical basis for 1940, 1950, 1960, 1970, 1975, and then compare the cost of buying let us say 10,000 kilowatt hours per annum of electrical energy? I wonder if those who are so loud in their criticism of the current cost or price or rates of electrical energy in Manitoba, if they have even bothered to take an hour to do some basic research - even if it takes them two hours - to do the research to ascertain what is the ratio of the cost of 10,000 kilowatt hours for an average household per year in relation to average household or average industrial income. Would he or she be surprised if they were to learn that in 1940 or '50 when rates were said to have been so low, that the ratio, the cost of electrical energy in relation to household or family income, was much higher than it is today, after the criticized price or rate adjustment? That in terms of numbers of hours or numbers of days' work to purchase 10,000 kilowatt hours today as compared to 1960, or '50, or '40, there is no comparison. So on what basis do people take the time of others to argue that energy prices are too high, when in fact they are lower in relation to income and disposable income than they have ever been? In relation to purchasing power? --(Interjection)-- Yes, well I know. And, Mr. Speaker, that to me is one of the more substantive or concrete examples of the saying that there is much that is dirty and unethical in politics. No respect for the truth, no. --(Interjection)-- But that is the case, Sir, believe me - when ostensibly honourable members would take an argument that is completely removed and isolated from substantive comparison with other provinces, other countries and other years in history, but try to deal with it on a basis of completely unintelligent, unethical, dishonest isolation of all relevant facts.

QUESTION put MOTION carried.

MR. SPEAKER: Bill No. 67. The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Stand, Mr. Speaker.

BILL NO. 68 - THE NUISANCE ACT

MR. SPEAKER: Bill No. 68. The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, I listened with interest last evening when the Minister introduced and explained Bill 68, The Nuisance Act, but I have some reservations about some parts of the Act. For example, by passage of this Act there will no doubt be the removal of a right of a person to go to court if he thinks he's been aggrieved; that that right will be taken completely away from him unless he satisfies the Act by making use of four or five, either acts or agencies. And I can tell the Minister I know of a case, and I'll be specific. It was the case of the lawsuit between P.C. Pea Growers and the City of Portage la Prairie. A lagoon was alleged and then proved to have been leaking and causing a problem onto a company's farmland and as a side issue, the lagoon created a tremendously foul odour every spring. Now the lawsuit it is true centered around the loss to value of farmland by way of seepage. This was what the lawsuit was all about. But I know of people --(Interjection)-- Pardon? No, no, I'm coming to that. Every spring, every spring there was a tremendously foul odour, it came off this lagoon when the ice broke. And farmers in the area of the prevailing winds, downwind from the lagoon, tried without success to get the officials from the Department of Health to do something about it and they wouldn't do anything about it. They were afraid to be involved in a problem that existed between individuals and another form of government. Now I know I talked at length to several of these farmers and they tried and tried to get officials of the Department of Health to take an action and they couldn't get it. They couldn't get it.

With respect to the lawsuits that concerned farmers who had their land damaged, the one particular one won his suit and another one won his suit, so this bill would not have had any effect there. But this bill if passed, and with feet dragging on the part of certain officials, would deny a person the right in this case to complain about an odour, or to go to a court and seek an injunction or seek damages for an odour caused by a business such as this Act talks about. And I have this fear, I have this fear that in signing away a right here, although it seems quite logical that a person should not be able to make trouble for someone who is in the feed lot business or a hoggerly for years, I appreciate the fact that that person should be protected from mischievous suits or being dragged into court when he had been operating his business in accordance with some of the Acts here as mentioned. I am willing to allow this bill to go to committee but I would like to hear representations because it seems inconceivable to me that if, we'll say a hoggerly is operated for ten years in an area and hasn't bothered anybody, but through the urbanization of the area people who live near, who didn't used to be there a few years ago but now live in the area, that they have to live with that situation for an indefinite time - I know it could be changed by zoning - but for an indefinite period of time people would have to accept the fact that because of the passage of this bill they would just have to put up with odours for a long period of time until the whole area was rezoned, and I don't think that right should be removed, that a person should not have the opportunity to go to court.

Now I know the Minister of Mines referred to what he called a bad judicial decision, that a hog farmer I believe it was, it cost him \$10,000 in damages, yet he had been operating his hog farm within the laws and regulations, and so on, but he was still, in the judge's opinion, still must have been causing harm to someone or the judge never would have rendered that sort of a decision. And I don't think that we should lightly take the rights away from people to go to court if they think they have a legitimate case.

MR. SPEAKER: The Honourable Member for Morris.

MR. WARNER H. JORGENSON (Morris): Mr. Speaker, the bill that is before the House is one that I, in principle, approve of. I approve of it primarily because of the experience that I went through in connection with the Springfield Hog Farms. And for the benefit of the House perhaps I should just outline the situation that developed prior to the time that it became a matter for the court.

A farmer, and he happened to be a school friend, had developed his hog operation in an area that was at the time that it was developed quite isolated, and as was pointed out last night by the Minister of Mines and Resources complied with every zoning

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(MR. JORGENSON cont'd) regulation that was needed in order for him to establish and operate his business. Where the weakness is, and where the difficulty arose, and to the best of my knowledge that problem is still with us and hopefully can be overcome by the application of The Planning Act. If the Attorney-General is wondering why I am taking a somewhat greater than average interest in the Planning Act it is again related to this particular instance, the necessity for determining what land in this country is going to be used for agriculture, what land will be used for development, and what will be used for recreation. I think once we have arrived at that particular point in the application of The Planning Act, then this particular situation will not materialize.

But when you had a situation where one by one people acquiring small plots of land and building in the vicinity of a hog operation, it was inevitable that sooner or later the odours were going to pose a problem. In my discussions with the department and with the Minister on this subject I took the position, and I think rightly, that those who moved into the area simply had to live with that situation because the person who operated the hog farm had every right to operate that hog farm since he complied with every law of the land. --(Interjection)-- Including the environmental control people. So, if something was not done, if this particular piece of legislation was not being passed, then it would be possible under the existing Act, and particularly in the light of the court decision that was handed down, which I agree with the Minister was an unfair one, and perhaps it's not for me to criticize decisions of the courts, but I don't think there's anything wrong in suggesting that perhaps the courts did not acquaint themselves with the circumstances surrounding this particular case as well as they should have before they made that decision.

I think that the passage of this bill will make it impossible, and perhaps make a lot of people think twice before they move or build a house next door to a hog farm, and many of those difficulties can be removed if they know there is no recourse for them. But I think in the final analysis, the proper application of The Planning Act will remove even the necessity of this particular piece of legislation. But unless - and I hesitate to urge the Attorney-General, the Minister of Municipal Affairs to act precipitously on the application of The Planning Act. But I think there is some urgency in making clear to, not only the municipalities in this country but to the people living in this province just exactly what they can anticipate in the way of zoning regulations, not only in the City of Winnipeg, not only in the towns and villages across this country, but in the rural areas as well, what lands will be set aside, and what they will be used for. Having determined that then I think you'll remove many of the difficulties that are inherent in the present legislation and remove the need for the application of the particular bill that is before us now.

I urge members to - and it's not always that I arise in my place, Sir, to support any government legislation, I always take the position that if it's good legislation I'll let it pass and I won't say anything about it - because of the experience that I had with this particular case and with a few other cases as a matter of fact, I feel that this is a piece of legislation that is needed to prevent further miscarriages, if you want to put it that way, of justice which occurred in the Springfield case.

So, with that, Mr. Speaker, I urge the members to accept the bill that is before us.

MR. SPEAKER: The Honourable Attorney-General shall be closing debate.

MR. PAWLEY: Mr. Speaker, I just want to say a few brief words in closing debate on this motion.

I particularly make reference to the comments by the Honourable Member for Morris in the need for expeditious action towards the land use planning, because I regretted very much to read an editorial only last week in the Winnipeg Tribune in which they were urging that municipal officials act very slowly in respect to the response to the requests from the Minister and from the Department of Municipal Affairs towards the development of land use control and planning districts. I was indeed most surprised that a responsible newspaper should in fact urge such a go-slow policy on the part of municipalities when in fact I think it would have been more constructive and positive on the part of that editorial writer to have suggested that the province had in fact gone too slowly in the past

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(MR. PAWLEY cont'd) towards proper land use control and effectiveness.

Certainly the example before us, the Springfield Hog Farm case, and other situations that are just slowly raising their heads to the surface, indicate the need for land use control. But in saying that, of course, we do have many situations that land use control will not effectively deal with. Those situations which have occurred prior to the development of control, and it is for those situations that legislation is required.

In the case before us, I think I should emphasize two points: 1. In answer to the Honourable Member for Portage la Prairie who made reference to the P.C. Seed Growers in the Town of Portage la Prairie case, I think that certainly he would, if he examined that case would find that occurred under quite different circumstances, and that it occurred prior to the development in Manitoba of a Clean Environment Commission Act, and that the problems that developed insofar as that case is concerned, could be dealt with by means of the Clean Environment Commission Act in its regulations rather than resort to the law. In fact, if we had had the Clean Environment Commission Act and regulations at that time, then I very much expect that that case would not need to have been resolved through the courts one way or another.

Insofar as the comments by the Honourable Member for La Verendrye last night who asked a question in connection with the possibility of an abattoir locating within the town limits. Again I refer the honourable member to the possibility of dealing with abuses which may, in fact, infringe upon surrounding residential owners through the Environment Commission's Act, its regulations, so that residents and businessmen and farmers can very clearly and distinctly define their rights and their responsibilities without being dependent upon, as they were in the Springfield Hog Farm case, in matters of judgment which are very difficult to define and can so very easily go one way or the other in any court adjudication. In fact, I think it would have been interesting to have seen what might have happened insofar as the Springfield Hog Farm case was concerned if it had been appealed to the Court of Appeal. Unfortunately it was not appealed to the Court of Appeal, and I understand that the defendant in that case did not feel that the case warranted an appeal to the higher court. But I would feel a little bit more satisfied today if I could have referred to a Court of Appeal decision. There could have been financial difficulties solicitor-client-wise. It's not unheard of in the great noble profession of law.

I would like to also just mention that there are other programs of course, too, that are in effect now that were not in effect. One which has not been too well publicized has been the Abatement Program in which the municipality and the province can join together in order to buy out bad situations that have developed which are affecting neighbouring residents, that there is this type of program that the community locally and provincially can utilize rather than resort to the courts.

But, Mr. Speaker, there is just no way that a farmer who invests tens of thousands, sometimes hundreds of thousands of dollars in an operation should be put out of business overnight because some neighbouring residents, because of sensitivity of smell, successfully launch an action in the courts based upon the Law of Nuisance. Just no way that we ought to permit this if that farmer, that producer is abiding by all the laws of the land. I don't think there's any justification anywhere for that. And for that reason I thank honourable members for their contributions and look forward to submissions in committee.

QUESTION put, MOTION carried.

MR. SPEAKER: Bill No. 72, An Act to amend The Change of Name Act. The Honourable Member for Birtle-Russell.

MR. GRAHAM: Stand, Mr. Speaker.

MR. SPEAKER: Bill No. 75. The Honourable Member for Rhineland. He's away.

BILL NO. 79 - MONEYS FOR THE FISCAL YEAR

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

MR. GRAHAM: Well, Mr. Speaker, when I look at the clock maybe I can say this is Chapter 2, and maybe in the next sitting we can have Chapter 3. But when we left off last evening, Mr. Speaker, I believe I had been going through the bill in reverse order, and I got down to the point where the Minister of Finance has included in his bill here an authority for expenditure in anticipation of recoveries from other departments of government or other governments.

I can't see any fault in that at all, Mr. Speaker, but I think that at the present time we have to be very concerned in this province because there are so many areas of Federal-Provincial relationships that, in my estimation anyway, Mr. Speaker, appear to be somewhat strained. We haven't had any significant areas of approval on Federal-Provincial cost-sharing.

I asked the Honourable Attorney-General the other day if we had reached any agreement between the Federal Government and the Province of Manitoba with respect to a contract for RCMP in this province, and again we find that the answer was no, that the Attorney-General seemed somewhat disappointed. There has been no agreement.

I understand at the present time the Minister of Health is not in the House, and we have been questioning him at various times regarding agreements between the province and the Federal Government.

But I'm sure the First Minister has to have a fair degree of concern in the field of education, health and many other fields where Federal-Provincial cost-sharing has been in the past a part of the various appropriations that we have voted in this Chamber. I'm sure that he is very concerned about the future of cost-sharing agreements in this Dominion. We know the intention of the Federal Government has been stated on various occasions, that they have, I believe anyway, expressed the desire to get out of many of the cost-sharing agreements that they have participated in in the past. We've seen ARDA and FRED, and others, that have gone by the wayside.

Now, I don't know if the First Minister has developed a position for the Province of Manitoba, but I suggest to him he should consider very seriously what the implications would be in the Province of Manitoba if the Federal Government got out of all cost-sharing. We would be in a very severe financial position unless - and again I say this - unless the revenues that have generated again return to this community. I'm not sufficiently familiar, Mr. Speaker, with all of the financial figures, but I would suspect, as a layman who hasn't made any attempt at trying to evaluate the programs, that Manitoba by and large does not benefit greatly from cost-sharing agreements when you consider all aspects of the revenue-sharing agreements that are inherent in a cost-sharing program.

I'm not too sure how we would fare if all the revenue that presently goes from this province to the Federal Government were, in fact, used purely in the provincial realm. I suspect that we are just about on an even basis, that whether we had cost-sharing agreements or not that by and large this province isn't that badly off with respect to the amount of money that it generates as compared to the amount of money it receives in a federal situation. But maybe the First Minister can give me some indication as to whether I am fairly close in that respect. He'll probably tell us when he's closing debate.

But it has to be a concern to us, Mr. Speaker, because we can't operate on a one-way street, there has to be dialogue, there has to be agreements reached, and at the present time those agreements are not being finalized and it is of genuine concern to myself and I'm sure to many others in the Province of Manitoba. Well, Mr. Speaker, I won't deal any more with that.

But I want to then go to another subject that is involved here. And we find in this bill there's a sum of \$10 million dollars set aside to cover the general salary and cost of living increases which the First Minister anticipates in the coming fiscal year. I think that that is just a ball park figure, but I would like to know if the province is genuinely trying to live within that figure. We do know that at the present time they are in the process of negotiating with our civil servants, and I don't know what the province's position is, whether they've offered them 3½ percent or 4, or 4½ percent, but at the same time I know that they're trying to stay within the guidelines, and I don't know if the

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(MR. GRAHAM cont'd) guidelines are the ones set by the Federal Government or the ones that are set out in this bill. I know we can't get along without civil servants in this province and I would hope that the province can get along with them. There is that amount in there that does express some concern to me, because I would hope that we don't go too long before we have an agreement reached between the province and our civil service, so that we can carry on with the business of the government of this province.

Mr. Speaker, then this brings me to Section 3 of the bill which I have to say to you, Sir, has always been a concern to me. I know it's existed in the past and has existed in previous administrations as well, and this is the method by which we can transfer and shift and double shift from current expenditure to capital and reverse, and we can transfer unauthorized expenditure from the current estimates to capital estimates and, Sir, I have to tell you right now, I don't believe that it is a proper method of operating the affairs of this province. I say that in full knowledge of the fact that it has occurred in previous administrations. But just because it occurred in previous administrations does that make it a practice that should continue to be followed? We sit here, Mr. Speaker, and I understand that we have spent probably 200 hours studying in considered detail the current Estimates of Expenditure of the Province of Manitoba, and we have made a sincere effort to try and probe and delve and find out just what is occurring. And then by means of this bill, Bill 79, we find the significant portion of that money that has been basically consented to and approved, can be transferred, is a shifting form of finance that can be used in the shell game of moving from one appropriation to another. We do know that Capital Estimates, unexpended capital can be successfully transferred from one fiscal year to another. But the main Estimates that are voted here if there is unexpended authority at the end of the year it is supposed to die. Here we find it doesn't have to, it can be shifted, it can be transferred, retransferred, and I can't say that I condone that type of finance. If I had my way, Sir, I would sincerely request the First Minister to once money has been voted for specific purposes, I think it should be earmarked as such, and at the end of the year if there is a surplus there it dies, but it's not transferred from one fiscal year to another. After all the House does sit, and I think that he would probably find that there would be, if he had a genuine need for additional funds, there would be a greater degree of willingness to accommodate if it could be shown that there was no attempt at trying to shift from one pocket to the other. And so I say that at this time, Mr. Speaker, because I am endeavouring very closely to follow the contents of the printed bill, at a time when there is a tendency, and there is the scope here to broaden out considerably.

But, Mr. Speaker, that brings me now to the point that I think I want to make in closing and that is the dealing with the First Minister's drafting of legislation. I notice in the very first line where it appears by message from his Honour, the Lieutenant-Governor, I say this, that I appreciate the way that the First Minister has had his legislation prepared. He's had it prepared for a long time. --(Interjection)-- He's had it prepared for a long time, and I would hope that other Ministers in his Cabinet would show the same degree of preparedness that the First Minister has. I would sincerely hope that they would show that because . . .

MR. SPEAKER: Order please.

MR. GRAHAM: . . . once we get into speed-up and we find the heavy legislation starts coming, the belated last minute bills from various Ministers, but here we find the First Minister, he's not going to be caught that way, he's got his bills prepared well in advance, and I commend him for that. I hope that the example he shows will rub off on his other Ministers. Thank you.

MR. SPEAKER: Pleasure of the House to adopt the Motion? The Honourable Member for Morris.

MR. JORGENSON: I don't know, I don't want to tie . . . I think there's others who want to speak on it before I do. I'll just call it 10 o'clock.

MR. SHERMAN: I'll call it 5:30, rather.

MR. SPEAKER: Would someone take the adjournment so the bill would be in

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(MR. SPEAKER cont'd) someone's name. The Honourable Member for Fort Garry.

MR. SHERMAN: I move, Mr. Speaker, seconded by the Honourable Member for Morris, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable Member for Flin Flon has something?

COMMITTEE CHANGE

MR. THOMAS BARROW (Flin Flon): Mr. Speaker, I'd like to make a change on the Economics Development Committee. The Member from Emerson will be replaced by the Member for Churchill. Thank you.

MR. SPEAKER: Agreed. So ordered. The hour being 5:30, the House is now adjourned and stands adjourned until 10 a.m. tomorrow morning. (Wednesday)