

# THE LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, April 11, 1978

Time: 2:30 p.m.

**OPENING PRAYER** by Mr. Speaker.

**MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell):** I should like to direct the attention of the honourable members to the gallery where we have 120 students of Grade 9 standing of the Spring Valley School. These students are under the direction of Mr. Riches, Mr. Collins, Mrs. Perlmutter and Miss Lockhart. This school is located in the constituency of the Honourable Member for Sturgeon Creek, the Minister responsible for the Manitoba Housing and Renewal Corporation.

We also have 45 from the Adult Basic Education of the Red River Community College under the direction of Mr. Braid. This school is located in the constituency of the Honourable Member for Logan.

On behalf of all members, we welcome you here today.

Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees.

## MINISTERIAL STATEMENTS AND TABLING OF REPORTS

**MR. SPEAKER:** The Honourable First Minister.

**HON. STERLING R. LYON, Premier (Charleswood):** Mr. Speaker, on behalf of the Minister of Finance who is not able to be here at this moment, I have the notes that have been prepared for him with respect to the Canadian Labour Force Survey which appeared this morning.

I would ask leave of the House to make a short statement on behalf of the Minister of Finance on the March labour force statistics which were released this morning in Ottawa.

The Statistics Canada figures show that for Manitoba, the seasonally-adjusted unemployment rate remained unchanged at 6.5 percent last month. The unadjusted rate declined by 2/10ths of a point from 8 percent to 7.8 percent.

Both the seasonally-adjusted and the unadjusted rates continued to be the third lowest in Canada last month and both remained about 2 points below the national average.

In contrast to the Manitoba figures, the national unemployment rate worsened in March from 8.3 percent to 8.6 percent seasonally-adjusted, and from 9.5 percent to 9.7 percent unadjusted. The unadjusted national unemployment total went up to a record 1,045,000.

In Manitoba, the number of unemployed remained unchanged at 31,000 between February and March on a seasonally-adjusted basis, while the unadjusted number went down by 1,000 from 37,000 to 36,000.

At the same time, the number of employed in our province increased by 3,000 over the previous month's seasonally-adjusted total and 4,000 over the unadjusted figure.

There were 17,000 more Manitobans employed in March, 1978 than there were in March, 1977 both on a seasonally-adjusted and on an actual basis.

Last night in the Budget, we noted that our new private sector Youth Employment Program will take effect in about three weeks and will further improve the employment total. As was mentioned in the Speech, the Department of Education will be administering this program and the Minister responsible will provide full details very shortly.

Thank you, Mr. Speaker.

**MR. SPEAKER:** The Honourable Leader of the Opposition.

**MR. EDWARD SCHREYER (Rossmere):** Mr. Speaker, naturally we are happy if the data shows that there is no worsening of the unemployment situation in our province. Rather than take any great deal of time in this House, I merely observe that with respect to the unemployment data at this time of the year — March, April, May — that there is considerable swing that takes place and that, while on the one hand as we go into the spring season, given our climate, that there is almost always a great enhancement in construction activity and in jobs. This is offset, so far as it is a problem for government, by the entry and the availability of young people from our post-secondary institutions and indeed from our Senior High Schools into the spring and summer labour force.

I note that, in the last paragraph of the statement, there is reference to the Private Sector Youth Employment program. I, for one, do not fault that initiative. Indeed, it is now the second year in which this province has seen fit to adopt such a component in the job creation policies and programs of the province. It remains to be seen, Sir, whether the Private Sector Youth Employment program by itself will be sufficient to deal with the several thousands of young people, and there will be several thousands, coming into the labour force within a matter of 30 to 60 days from now.

As I recall, Sir, last year the Private Sector Youth Employment program that we brought forward did, perhaps, provide in the order of 3,000 jobs and I believe the estimates this year are for something approaching that, or in that same order of magnitude. But this was aided and abetted, Sir, by other youth job creation programs that had to do with the public sector, and since we believe in a judicious

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combination of both private and public sectors, it will be interesting to see whether an exclusive reliance on the private sector, while not gearing-up to provide for employment for young people in some of our public institutions — in the health care field, just to give one example — which of the two approaches will be more efficacious. Time, and not that much time, from now we will know.

**MR. SPEAKER:** The Honourable Minister of Highways.

**HON. HARRY ENNS(Lakeside):** Thank you, Mr. Speaker. I beg the indulgence of the House to table the Annual Report of the Department of Highways for the year 1976 — 1977.

**MR. SPEAKER** Notices of Motion . . . **The Honourable Minister of Northern Affairs.**

**HON. KEN MacMASTER(Thompson):** It is not a notice of motion, Mr. Speaker, it's to file some reports. I was requested by the Member for Inkster to file reports that I could lay my hands on in relationship to the Flood Agreement.

I have, firstly, Mr. Speaker, copies of the Flood Agreement that was signed by all four parties. I then have, Mr. Speaker, copies of the Referendum of Agreement and the Development Agreement signed by the four parties. I have copies of a portion of an agreement that was signed by the Flood Committee and the Honourable Warren Allmand, which was not signed by the Provincial Government. I then have copies of a document that was signed by the Honourable Edward Schreyer and Mr. Bateman on behalf of the government and the Hydro, but was not signed by the Flood Committee in the Federal Government. And that's all the documentation that I can find at this particular time, Mr. Speaker.

**MR. SPEAKER:** Notices of Motion. Introduction of Bills.

### **ORAL QUESTIONS**

**MR. SPEAKER:** The Honourable Leader of the Opposition.

**MR. SCHREYER:** Well, Mr. Speaker, I labour at somewhat of a disadvantage, the Minister of Finance perhaps being temporarily absent. I would like to give him notice of the question, however, by placing it now, and that is to ask the Honourable Minister of Finance whether he can provide the somewhat detailed information as to the change in the receipts, or the forecast of receipts, from the Government of Canada by the Province of Manitoba with respect to both the tax collection agreement items and also the equalization payments, and indeed all transfer payments from Canada to Manitoba.

The purpose of my question, Sir, is to get clarification with respect to a question answer that took place in this Chamber two weeks ago, at which time we were advised that there was no significant alteration in the forecast of the flow of funds from Canada to Manitoba.

**MR. SPEAKER:** The Honourable First Minister.

**MR. LYON:** Mr. Speaker, I would be happy to take that question as notice and I'm sure the material that the Leader of the Opposition asked for can be made available.

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

**MR. SAUL CHERNIACK:** Mr. Speaker, in the same line and directed as notice to the same Minister of Finance, I am wondering if he would provide us with information which I assume he would have, which would indicate the numbers and income levels of pensioners who were saved entirely their school tax as of yesterday, and the number, the percentage and the income levels of those who will be saved their school taxes, a rebate of their school taxes, as a result of the Budget proposals. I assume they may well have it, and if they do, my request is that he provide them to us.

**MR. SPEAKER:** The Honourable First Minister.

**MR. LYON:** Mr. Speaker, we'll take that question as notice, subject only to the caveat that the Member for St. Johns has already put on it — if the information is readily available — if there are any further caveats the Minister of Finance wishes to put on it we'll let them be known, but otherwise we'll just take the question as notice and produce whatever information we can.

**MR. SPEAKER:** The Honourable Member for Inkster.

**MR. SIDNEY GREEN:** I would like to address a question to the First Minister. I would like to know whether the First Minister can advise us when the Minister of Finance will be bringing down his Budget Address?

**MR. SPEAKER:** The Honourable Member for Inkster with a supplementary.

**MR. GREEN:** Mr. Speaker, the Minister of Finance has indicated to this House that his Budget Address will not be a political manifesto with misleading statistics and comparisons. I would like to know when the Minister of Finance is going to bring down this Budget address.

**MR. SPEAKER:** The Honourable First Minister.

**MR. LYON:** Mr. Speaker, notwithstanding the complete and absolute frivolity of the question posed by the Member for Inkster, I can understand — I can well understand — the feelings of concern and dismay that he has having heard last night as he did a Budget that did give the facts to the people of Manitoba — facts, Mr. Speaker, which may not please the Member for Inkster, but facts which the people of Manitoba have been waiting some time to hear.

**MR. SPEAKER:** The Honourable Member for Inkster.

**Mr. GREEN:** Mr. Speaker, I acknowledge the fact that the First Minister brought down a speech. I'm asking when he will deliver the Budget Address which is not a political manifesto with misleading statistics and misleading comparisons, which is what I heard last night.

**MR. SPEAKER:** The Honourable Member for Selkirk. Speaker, my question to the Attorney

**MR. PAWLEY:** Mr. -General. Would the Attorney-General confirm that last night's Federal Budget and the announcement in connection with the Amendments that would be introduced to eliminate all problems that might result from Capital Gains Tax as a result of marital property division — and which, by the way, was a request which was requested by the previous government of the Federal Government — does, in fact, eliminate any of the problems which he has raised in connection with tax implications in the marital property legislation of last year.

**MR. SPEAKER:** The Honourable Attorney-General.

**HON. GERALD W. J. MERCIER (Osborne):** Mr. Speaker, I don't have the specific proposals that were brought forward last night but my understanding is that there were proposals to amend Section 73 and 74 of the Income Tax Act which will ameliorate some of the tax penalties that had been raised by us in the last session of the Legislature. There was, however, to my knowledge no amendment dealing with the principal place of residence so that it is not possible, as it is now, for any income tax relief for those people who have two principal places of residence under the Income Tax Act, usually a house and a cottage.

While I'm on my feet, Mr. Speaker, there was a question asked of me by the Honourable Member for Selkirk on March 22nd related to my accepting as notice a question as to whether or not my department had been requested or instructed to prepare any legal documents pertaining to an agreement that was tabled the previous evening. The agreement was a document dated November 14, 1977, signed by the Deputy Minister of Tourism and Mr. Jarmoc. Since that date, Mr. Speaker, a solicitor on the staff of my department had been consulted from time to time by the Deputy Minister of Touris and members of his staff, but to date no specific request or instruction has been received by my department to prepare any legal documents pertaining to this agreement.

**MR. SPEAKER:** The Honourable Member for Fort Rouge

**MR. LLOYD AXWORTHY:** Well, Mr. Speaker, I have a question for the Minister of Education. I wonder if he could tell us whether his department or officials are examining the incidence of new private schools or apparent schools which are emerging in the province catering to foreign students who wish to take a diploma in the Manitoba system in order to get into university. Can he tell us whether that particular phenomenon is being looked at and could he tell us if there has been any examination or investigation into this particular situation?

**MR. CHAIRMAN:** The Honourable Minister for Education.

**HON. KEITH A. COSENS (Gimli):** Mr. Speaker, in answer to the Member for Fort Rouge, we are aware that there is some development in that area. We are not aware that it is taking place at this time but that there has been some exploration of the area as far as foreign students are concerned. We are monitoring this and watching it with interest.

**MR. AXWORTHY:** As a supplementary, Mr. Speaker, could the Minister indicate whether there has been any discussions with school board officials who are presently being approached, for the use of public school facilities for these kind of schools in off evening hours or weekend hours and whether in fact the department is making any effort to establish any kind of guidelines or standards for the rent or lease of public school facilities for these kinds of schools?

**MR. COSENS:** Mr. Speaker, we have had no communication from school divisions in this regard.

**MR. AXWORTHY:** Well, a supplementary, Mr. Speaker. I didn't ask if they had had a communication, I was asking if the Department of Education had communicated to school boards concerning this particular issue and whether there is any effort to examine the particular educational standards that would be employed, whether the certificates of standards that would be applied in these schools would be sufficient to warrant a standing under the Manitoba system, and whether there is any investigation or discussion going on with school boards to determine whether public school facilities should be allowed to be used for these kind of purposes.

**MR. COSENS:** Once again, Mr. Speaker, I can assure the Member for Fort Rouge that to this point we have no evidence of any real development in this area and when we do get information to that regard that would indicate that there is something real taking place, then we will come forth with some policy.

**MR. SPEAKER:** The Honourable Member for Flin Flon.

**MR. THOMAS BARROW:** I would like to direct this question to the Minister of Health, Mr. Speaker. Is it true that the manager of Hudson Bay Mining and Smelting is willing to meet with the government to discuss sharing the costs of a hospital for Snow Lake?

**MR. SPEAKER:** The Honourable Minister of Health.

**HON. L.R. (Bud) SHERMAN (Fort Garry):** Mr. Speaker, I am not at all sure that it's true that he is willing to discuss cost sharing, but he is willing to, and is prepared to, and is intending to meet with the government and our intentions are similar.

**MR. SPEAKER:** The Honourable Member for Rupertsland.

**MR. HARVEY BOSTROM:** Thank you, Mr. Speaker. My question is to the Attorney-General. I heard part of his earlier answer to the House, I believe he was responding to a question I posed to him some ten days or a week ago. In any case, Mr. Speaker, I would like to ask for clarification. Has he or his department been requested to date to assess legal and financial obligations of the Province of Manitoba respecting the development agreement that was signed by the Department of Tourism with developers in the Whiteshell Lake area?

**MR. SPEAKER:** The Honourable Attorney-General.

**MR. MERCIER:** Mr. Speaker, the question that I answered previously was one from the Member for Selkirk. As I indicated in my statement, members of my department are consulted from time to time by many departments.

**MR. BOSTROM:** Well a supplementary, Mr. Speaker. My question to him is very specific. Has he, or any of his departmental officials been consulted to date regarding the financial and legal obligations of the Province of Manitoba respecting that particular development agreement that was signed by the Department of Tourism as per the Minister of Tourism's instructions.

**MR. SPEAKER:** The Honourable Attorney-General.

**MR. MERCIER:** The answer is yes, Mr. Speaker, and I'm sure that the Minister of Tourism and Recreation will comment on that when he presents his full review of the situation to the Legislature.

**MR. BOSTROM:** A final question, Mr. Speaker, to the Minister of Tourism. Can he inform the House when we are going to receive this report which has been promised now for several weeks?

**MR. SPEAKER:** The Honourable Minister of Tourism.

**HON. ROBERT (Bob) BANMAN (La Verendrye):** Yes, Mr. Speaker. We are still checking the documentation going back to when the original negotiations started. It's gone back a little further than I thought it did and we're in the process of trying to find all the documentation with regard to that particular event. As soon as we have it all compiled so that we can also file the correspondence we will do that.

**MR. SPEAKER:** The Honourable Leader of the Opposition.

**MR. SCHREYER:** Mr. Speaker, now that the Minister of Finance is in his place, I would like to ask him the following question. Can he confirm that the estimated budget deficit on current account of last year, which was in the order of \$25 million to \$33 million, which in November the Minister of Finance reported, or characterized, as being \$125 million, is now in fact \$80 million, and of that \$80 million that the change in the Minister's estimates of some \$50 million-plus, positive, is the result, the

major part of it is a result of increased flow of funds, or receipts, from Canada?

**MR. SPEAKER:** The Honourable Minister of Finance.

**HON. DONALD W. CRAIK (Riel):** Mr. Speaker, it was all stated last night and if the member has the Hansard he'll find it there. It was stated last night that the federal funds — out of the \$49 million, or whatever it was, roughly \$49 million of recovery — about one-quarter of it was reduction in expenditures and about three-quarters of it was cost-shared receipts' but it was not a regaining of position with regard to the shortfall on federal income tax of the 4 \$50 million that was relayed to the former government in early October of last year. There was no improvement in that shortfall.

**MR. SCHREYER:** Be that as it may, Mr. Speaker, I ask the Minister to indicate if it is not a fact that I asked him in this House two weeks ago whether he had any revisions to report in the anticipated collection of funds from Canada in terms of receipts from the Government of Canada and that he indicated at that time that there was nothing significant and that presumably, therefore, the estimated deficit and current account would be in the order of \$125 million. Now we're told it's \$80 million, an improvement of \$50 million, \$40 million of which comes from Canada. I ask the Minister if he feels, in conscience, that he answered my question correctly a couple of weeks ago.

**MR. CRAIK:** Well, Mr. Speaker, the question that was asked by the First Minister a couple of weeks ago was replied in the light of the knowledge that I had with regard to the information on the federal income tax or the income tax portion of it that caused the problem last October and that did not change substantially. As far as the rest of the statistics are concerned, I understand that there has been a notice taken on this. We can provide you with the detailed information on where the changes have taken place.

**MR. SCHREYER:** Mr. Speaker, I would ask the Minister then if he is acknowledging the fact that whether it be having to do with tax collection, flow of funds, or whether it has to do with cost-shared programs, or with equalization payments, that there are revisions from time to time emanating from the Department of Revenue and Finance, Ottawa, that sometimes the revisions are down and sometimes they're up. But clearly in this case, is it not a fact, I ask is it not a fact, that there have been now positive revisions upward of some \$50 million and that this was somehow not reported until last night, leaving an impression of \$125 million deficit that I suggest they probably knew a month or two ago would be closer to \$75 million.

**MR. SPEAKER:** The Honourable Member for Kildonan.

**MR. PETER FOX:** Thank you, Mr. Speaker. Can the Minister of Health inform the House whether he has confirmed that the Victoria Hospital management has offered all the employees, by letter, a Hobson's Choice of taking a 3.3 percent cut or staff reductions at that institution, and whether he approves of that measure?

**MR. SPEAKER:** The Honourable Minister of Health.

**MR. SHERMAN:** No, Mr. Speaker, I can't confirm that. I've been told it by the press; I've been told it by the Honourable Member for Kildonan; I've not been told it by the Victoria General Hospital board.

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

**MR. CHERNIACK:** Thank you, Mr. Speaker. I want to address this to the Minister of Finance who has already been involved in discussing whether or not he knew certain facts. Can he clarify why it is that under the Revenue Estimates which he filed last night, he shows as revenue from individual income tax the sum of \$41 million which is a transfer payment to buy the Provincial Government's agreement to reduce sales tax? Is he trying to inform the public that this income of \$41 million is Manitoba's share of income tax collections as would appear from this statement?

**MR. SPEAKER:** The Honourable Minister of Finance.

**MR. CRAIK:** Mr. Speaker, the details of the agreement with the Federal Government with regard to the remuneration to make up for the shortfall on the sales tax of the \$41 million is going to be made up through tax points and at the printing of the revenue statement we were not completely clear on the exact technique and procedure that would be followed. It appeared that that was the best way of showing it in the revenues. It will be made up through making room in the federal portion of the income tax for additional provincial revenues.

**MR. CHERNIACK:** A supplementary question then, Mr. Speaker. In view of the fact that the Provincial Government has made this statement through the Revenue Estimates that this will be income tax, is he now saying that the 2 percent will be paid, not by the federal taxpayers but by Manitoba taxpayers in a reduction of tax points, Mr. Speaker. By a transference of tax points, will not the dollars be provided by Manitoba taxpayers through their share of taxation and not by Ontario or

Alberta taxpayers?

**MR. CRAIK:** Well, Mr. Speaker, it all boils down to the Canadian taxpayer but it doesn't all boil down to the Manitoba taxpayer.

**MR. CHERNIACK:** Yes, Mr. Speaker. Since this is a vital point and a line which says individual income tax, is it not correct to state that Item 1 under Finance 7.(a) is the Manitoba income taxpayers' moneys collected under the Fiscal Arrangements Act, therefore, is money contributed by the Manitoba taxpayer to the Province of Manitoba's government?

**MR. CRAIK:** Well, Mr. Speaker, I think that we can take this up in further detail in Committee. I don't have all the stuff here with me but I'll take it up with the Member at an appropriate time.

**MR. SPEAKER:** I believe the member has had two supplementaries. The Honourable Leader of the Opposition.

**MR. SCHREYER:** Well, Mr. Speaker, it certainly can be taken up in detail in Committee but I would like to ask the Minister at least for this bit of information in advance. Can the Minister indicate whether the revenue foregone as a result of the change in the sales tax will be made up by a federal payment that is based on the estimated revenues to be received from the two points of sales tax, or is the Federal Government transferring tax room with or without a floor guaranteed for six months?

**MR. SPEAKER:** The Honourable Minister of Finance.

**MR. CRAIK:** Mr. Speaker, I'd have no hesitation in tabling the agreement as it now stands with the Federal Government; I think that's the best way to answer the question.

**MR. SPEAKER:** The Honourable Member for Inkster.

**MR. GREEN:** Mr. Speaker, would the Minister of Labour investigate whether the Victoria Hospital is engaged in threatening its employees with an illegal lockout during the term of the collective agreement by asking them to take a reduction in wages as an exchange for remaining in employment at the Victoria Hospital, which is clearly a violation of The Labour Relations Act. Mr. Speaker, the question is, will she investigate it?

**MR. SPEAKER:** The Honourable Minister of Labour.

**HON. NORMA L. PRICE (Assiniboia):** Mr. Speaker, there hasn't been anything come to my attention. If there is a case we certainly will look into it, but I have heard nothing to that effect.

**MR. SPEAKER:** Order please. Order please. If the Honourable Member for St. Boniface wants to carry on a conversation I suggest he do it outside the Chamber.  
The Honourable Member for Inkster.

**MR. GREEN:** Mr. Speaker, as a Member of the Legislature I am asking the Minister of Labour whether she would investigate the fact that facts have come to my attention that employees of the Victoria Hospital have been asked by the hospital to take a cut in wages as an exchange for continuing their normal pattern of employment, and I would ask her department to see whether or not this is an unlawful lockout forced on Victoria Hospital by the Government of Manitoba which says there should be more lockouts of that kind.

**MR. SPEAKER:** The Honourable Minister of Mines. The Honourable Member for Inkster with a supplementary.

**MR. GREEN:** I would like to know whether the Minister of Labour will investigate abuses, violations of The Labour Relations Act, when brought to their attention by a Member of the Legislature elected by the public to do just that.

**MRS. PRICE:** Mr. Speaker, I did tell the Member for Inkster, that I would look into it for him if he will just give me the facts. I've already said that I would do it.

**MR. SPEAKER:** The Honourable Minister of Mines. Order please. Order please. —(Interjection)— At least I care. The Honourable Minister of Mines.

**HON. BRIAN RANSOM (Souris-Killarney):** Mr. Speaker, on Friday last the Honourable Member for Fort Rouge asked a question of me which contained a statement to the effect that Winnipeg had water quality that was supposedly among the lowest of all major cities in Canada. He asked me whether I had a chance to review the report. My staff has indeed had an opportunity to review the report in question; it in fact dealt with a nation-wide survey of Halomethanes in drinking water.

There was one sample of water taken in Winnipeg. The sample showed in fact a fairly high level of

Halomethanes resulting from the treatment of the water with chlorine. The level is considered to be quite acceptable, at least under the standards established by the United States Environmental Protection Agency. It therefore cannot be concluded that Winnipeg water quality is among the lowest in Canada; it simply indicates that that particular spot sample of one parameter of quality happened to be a fairly high reading. I would certainly like it to be made clear, Mr. Speaker, that that in no way can lead to the conclusion that Winnipeg's water quality is among the lowest in Canada.

**MR. SPEAKER:** The Honourable Member for Brandon East.

**MR. LEONARD S. EVANS:** Thank you, Mr. Speaker. I would like to address a question to the Minister of Finance. In view of the fact that Statistics Canada has reported today in its Labour Force Release that there are 17,000 young people unemployed in Manitoba, which is about half of the total number of unemployed in this province or a 13.7 percent unemployment rate, will the Minister reconsider and undertake greater or additional employment initiatives for the young people in this province than that announced in the Budget? —(Interjection)— Mr. Speaker, I don't believe the Minister of Finance realized I was addressing a question to him, so if I might repeat the question. This is not a supplementary, it's a repeat. In view of the fact that Statistics Canada has today reported in its official release that there are approximately 17,000 young Manitobans, which comprise nearly half of those unemployed in Manitoba therefore making a total of 13.7 percent, a rate of 13.7 percent unemployed, will the Minister consider new and greater employment initiatives for the young people of this province than those announced in the Budget last night?

**MR. SPEAKER:** The Honourable Minister of Finance.

**MR. CRAIK:** Well, Mr. Speaker, I gather what the member is suggesting is that we should every day come out with a new program to satisfy his whims as we have already addressed ourselves to the problem. I indicated last night that there will be 2,000 direct jobs in government, there will be a program that provides incentives for jobs for young people, primarily in the private sector, in the cost shared arrangements announced in last night's Budget. I indicated also that that was not a closed-end program, that if the demand develops, and there's every effort being made through the Department of Education set-up for that to happen, then there will be more young people employed, and no young person that wants to work is going to be unemployed if there's anything we can do about it.

**MR. EVANS:** A supplementary, Mr. Speaker. My first supplementary. I appreciate the Honourable Minister of Finance's concern, which I share, but I submit to him that 2,000 is a long way from 17,000 unemployed youths in Manitoba. I would like to ask the Honourable Minister whether he is appreciative of the fact that Statistics Canada has also forecast a drop in total investment in this province in 1978. According to the figures, \$1,916,000,000 were invested in Manitoba last year, and this year the forecast is expected to be \$1,895,000,000 which is a substantial drop especially when you consider, Mr. Speaker, the element of inflation. So, in view of the fact that investment is dropping in Manitoba, will the Minister please explain how he is going to have those new jobs created?

**MR. SPEAKER:** Order please. Order please. May I suggest to the Honourable Member for Brandon East that debate on the Budget is very imminent on the Order Paper, and debate such as he is attempting to initiate now would better be done at that period in time.

The Honourable Minister of Tourism.

**MR. BANMAN:** Mr. Speaker, yesterday I was asked several questions by the Leader of the Opposition and the Member for Rupertsland with regard to the Thunderbird Lodge. I am informed that the application for the purchase of the lodge will be dealt with by the Court on April 19th next, and that meanwhile the Officers of the CEDF have assured me that every step is being taken by them to protect the interests of Manitoba taxpayers.

Further to a specific question with regard to the return to the Province of Manitoba, it's my understanding that one-third of the net proceeds that will be distributed come back to the Province of Manitoba.

**MR. SPEAKER:** The Honourable Member for The Pas.

**MR. RONALD McBRYDE:** Mr. Speaker, I have a question to the Minister responsible for the Manitoba Telephone System. Sometime ago I asked him a question and he answered in regard to The Pas, but I also asked him about Selkirk and Thompson, about the number of layoffs that would take place in those two communities as a result of computerization. I wonder if he could answer that question?

**MR. SPEAKER:** The Honourable Minister of Consumer Affairs.

**HON. EDWARD MCGILL, (Brandon West):** Mr. Speaker, I have no information relating to possible layoffs in either Selkirk or Thompson! at this time.

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**MR. McBRYDE:** Yes, Mr. Speaker, I wonder if the Minister could tell us what the legal obligation is to the Bell Canada subsidiary through Manitoba Telephone orders, whether or not they could get out of an agreement and delay their order with that company?

**MR. McGILL:** Mr. Speaker, I believe the member is asking for a legal opinion from me. I'm not prepared to offer a legal opinion on the subject that he is quoting at this time.

**MR. McBRYDE:** I would rephrase that question, then, could the Minister tell us whether the Manitoba Telephone System is obligated to go ahead with that purchase for computerization equipment, and I would also ask the Minister if he would again consider postponing this implementation, and use the money he would save for employment creation instead of employment deleting job activity in Northern Manitoba?

**MR. McGILL:** Mr. Speaker, the member's question is somewhat vague. He speaks of computerization equipment. I presume he's speaking of the telephone operator's position equipment that is now being installed and is part of a program that began as he probably is well aware, some two years ago, and that this modernization of our whole telephone system has been going on over that period. If he is asking me now whether we are prepared to terminate that modernization and provide, for certain areas of his concern somewhat less than the best service, then I would be somewhat surprised at his question.

**MR. SPEAKER:** The Honourable Leader of the Opposition.

**MR. SCHREYER:** Well, Mr. Speaker, may I ask the Minister who has just replied, whether he would undertake to ascertain with officials of the Manitoba Telephone System whether they have done any study with respect to the possibility of, indeed, discontinuing what is admittedly a decade long — two decade long — policy practise of proceeding relentlessly towards the displacement of persons by automated equipment, given that the telephone system has been asked some year — 18 month's ago — to consider the advisability of slowing, if not a measured pause, in the installation of automated equipment in lieu of human beings at telephone exchanges, particularly in rural centres? Would the Minister undertake to ascertain whether such a study, that merits the name study, has been made, and whether there are any policy considerations that might then be followed-up?

**MR. McGILL:** Mr. Speaker, I'm interested in the Honourable the Leader of the Opposition's statement that his government had asked MTS to re-examine their technology development and their improvement of the system' to perhaps pause, or even terminate, such change within the system. As to whether or not the MTS should be involved in a pause or a termination, I would tell the honourable member that MTS I'm confident is constantly re-evaluating its programs, its policies, and the kind of service it's offering to the people of Manitoba. At this point, I believe that that service ranks amongst the best in Canada. I would hope that their policies would tend to preserve that lead, and that we will not hinder or inhibit the ability of MTS to maintain its position as one of the leaders in the telecommunications systems in Manitoba. Nevertheless, I will be pleased to bring the member's concerns again to MTS and to ask them to again ensure that the policies they are now undertaking are in the best interests in the long run, of the taxpayers of Manitoba.

**MR. SPEAKER:** The Honourable Member for Churchill.

**MR. JAY COWAN:** Yes, Mr. Speaker, I also would like to direct a question to the Minister to whom the Manitoba Telephone System reports. It is a question I was going to ask later in the year, but in light of the high profile in the inauguration yesterday of the \$7 million customer dialing service that enables Winnipeggers to dial direct to 27 countries, my question to the Minister is then, what is the cause of numerous delays in completing basic phone service to many remote communities in Northern Manitoba?

**MR. McGILL:** Mr. Speaker, the Member for Churchill I'm sure knows that a policy of modernization and improvement of telephone services in rural and remote areas of Manitoba was undertaken at the suggestion and perhaps more than a suggestion — at perhaps the direction of the Public Utilities Board — more than a year ago. This is proceeding on an announced time-table, it is quite an expensive program, it is not related to the kinds of revenues that are obtainable, but it is accepted and undertaken and is going ahead on schedule on the undertaking that these phone services should be modernized in areas of Manitoba where the revenues achieved by such changes do not in any way compensate for those costs. But, I tell the Member for Churchill that those programs and the timetables are obtainable, and if he would like me to enquire for him on any specific area of the province, I would be glad to do so.

**MR. COWAN:** I thank the Minister for the question, but I have been informed by several constituents that the timetables are not being followed that closely, and I would ask the Minister if he would undertake a specific study of those remote northern communities to ensure that that the timetables, those announced schedules, are being followed.

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**MR. SPEAKER:** Orders of the Day. May I call on the Government House Leader to see if there's any change on the Order.

**HON. WARNER H. JORGENSEN, (Morris):** Yes, Mr. Speaker, I would like to state that we will be proceeding in Committee of Supply this afternoon, pursuant to an agreement that was reached with the Leader of the Opposition, who I felt, after that last statement he made, posing as a question of whether or not he had exhausted his time on the Budget Debate. But the Leader of the Opposition will be proceeding with the Budget Debate tonight, so we will be going into Supply this afternoon.

**MR. SPEAKER:** The Honourable Opposition House Leader.

**MR. GREEN:** Yes, Mr. Speaker, just on a point of order, I want to table with the Clerk for the benefit of the Minister of Labour, a letter purported to be on the stationery of Winnipeg General Hospital, purported to be signed by Derrick J. Legg, leaving out only, Mr. Speaker, the name of the person to whom it was sent, containing the particulars which she won't deal with in the way in which a Minister of Labour generally does.

**MR. SPEAKER:** The Honourable Government House Leader.

**HON. WARNER H. JORGENSEN (Morris):** Mr. Speaker, I'm not sure whether we're not proceeding on the Budget Debate this afternoon but before the debate proceeds further, may I move that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty. I have that motion seconded by the Minister of Consumer and Corporate Affairs.

**MOTION presented and carried** and the House resolved itself into a Committee of Supply, with the Honourable Member for Radisson in the Chair for the Department of Development Agencies and the Honourable Member for Roblin in the Chair for the Department of Agriculture.

## **CONCURRENT COMMITTEES OF SUPPLY**

### **SUPPLY — AGRICULTURE**

**MR. CHAIRMAN, Mr. J. Wally McKenzie:** Agriculture Estimates, Resolution No. 14, 7.(b) (2) Marketing Board Salaries—pass — the Honourable Member for Lac du Bonnet.

**MR. USKIW:** Yesterday, when we were on this item, I am not sure whether the Minister answered the last question that was put or not, but let me again pursue the matter. There are a number of commodity boards in existence at the present time, some of which are provincial in nature, and others which are national in scope. I would like to ask the Minister whether it is to be expected that there will be no changes in the provincial arrangements with the government of Canada with respect to national marketing boards now in existence.

**MR. CHAIRMAN:** The Honourable Minister of Agriculture.

**MR. DOWNEY:** Is the member asking for the coming year?

**MR. USKIW:** Mr. Chairman, all I am trying to get from the Minister is the policy statement as to how this government is going to relate to national marketing, the whole principle, the whole idea of national marketing agencies, because that is the direction we have been moving over the last five years' and as far as Manitoba is concerned, have we gone as far as we are going to go or are we yet to add other commodities to the national mix?

**MR. DOWNEY:** Mr. Chairman, other than the recent announcement of the desire of the Manitoba Broiler people and the conditions which were set out by myself, we don't intend to add any more commodities I believe the Manitoba Marketing Board is fully aware as to these requests, and I would like to know whether there are a hundred such people waiting in the wings in the milk area, in the egg producing area, the turkey board . . . ?

**MR. CHAIRMAN:** The Honourable Minister of Agriculture.

**MR. DOWNEY:** Yes, Mr. Chairman, I would say that I am quite aware, and the Marketing Board is quite aware of the numbers — not the total numbers — but we are quite aware of the individuals that are desirous of entering into the production of certain commodities. I can just think back to not too long ago there were approximately 70 broiler producers, I believe, that wanted to become broiler producers. That's an approximate figure — I don't have the exact figures. And that is a concern of

mine. I feel that to see the agricultural industry grow and develop and to see farm people produce they have to be able to have the right to produce, and as I said, we will be working in the area of expansion within the commodity groups that are controlled by supply management, and we're also working on a method of transferring quota from one farmer to another without causing any hardships to anyone.

**MR. USKIW:** Well, Mr. Chairman, I'm really puzzled now because we are not yet in a national marketing arrangement on broilers, yet the Minister keeps saying that there are 70 people who want to get into production but somehow are precluded from getting in. What is holding them from getting into production right now? Why can't they get into production?

**MR. CHAIRMAN:** The Honourable Member for Emerson.

**MR. ALBERT DRIEDGER:** Mr. Chairman, in the learning process that I am supposedly going through right now, I was wondering — to get a proper picture, the proper perspective of the whole thing — I wonder if the former Minister of Agriculture could indicate the purpose of the Marketing Board having to have an additional estimate done on farms with a cost that ran, in say the dairy area, anywhere from \$300 to \$500 additional dollars to the seller in order to be able to, you know, transfer his quota. I wonder, just to get a proper picture of how things ran and the possible changes that we're anticipating maybe in the availability of transfer of quota whether the member could maybe indicate what he had in mind at that time. I'm addressing this to the former Minister of Agriculture.

**MR. CHAIRMAN:** The former Minister of Agriculture, of course, as you well understand members, does not have to answer the question. The Committee generally directs its questions to the Minister in this Committee, but if the Honourable Member for Lac du Bonnet does wish to answer he can, if he so desires. The Honourable Member for Lac du Bonnet.

**MR. USKIW:** Mr. Chairman, there is no provision in the Estimates for this person to be responsible for anything that we are approving here today.

**MR. DRIEDGER:** MR. Chairman, I was just asking that question in the process that I am going through, really.

**MR. CHAIRMAN:** The Honourable Minister of Agriculture.

**MR. DOWNEY:** Mr. Chairman, I'm quite pleased that the present Minister of Agriculture is responsible for the Estimates that we're going through and quite prepared to look after with my responsibilities in that area. I would also like to comment that there is effort by the marketing branch and by the board to certainly seek out markets for those individuals who are unable to produce for the local market, the domestic market. In fact we hope to be able to encourage consumption of Manitoba broilers and products that are completely under the supply management rules in Canada that we are able to produce in markets other than the one in Manitoba and Canada.

**MR. USKIW:** Mr. Chairman, the Minister is not with it today, obviously. There is no supply management program with respect to broilers in Canada to date, and in the absence of that I asked him why it is that new producers of broilers in Manitoba are not allowed to establish. There is no supply management program under way at the present time.

**MR. DOWNEY:** I would just like to mention the fact that there is, in fact, provincial supply management control on all the provinces but one I believe, and that is Newfoundland that do not have a supply management program in place. Nationally, there has been indication that they do plan to proceed with a national board, whether all provinces participate or not, in fact, there are plans to go ahead with it. We have agreed to enter into that plan, if in fact, we as a province are able to enter into a separate agreement with them to provide product for any export market which is created or developed by a Manitoba producer board, and we are also working toward an agreement with the Manitoba board for any individual producer to fulfill a market that they themselves individually happen to develop for themselves. So this, Mr. Chairman, is the area in which we can expand within the industry.

**MR. USKIW:** Mr. Chairman, it appears to me that the Minister of Agriculture is indicating that there is no intention on the part of this government to allow anyone in this province the freedom to enter into the production of any of these commodities over which there are marketing board structures established to date — that in essence we will be continuing on in the same way that we have over many, many years — and therefore people should not build up their expectations that there are some new found freedoms with the change in administration. That certainly is intriguing to me and I am not going to suggest that that is a wrong position to take. It is somewhat different from what some people were led to believe would happen.

**MR. DOWNEY:** I think, the fact that we are desirous of creating and developing new markets with the producer boards and with the individual producers, I in fact, do look forward to the day when the

individuals have freedom to produce the types of products without severe restrictions, in fact, with very limited restrictions upon them that they are able to enter and produce the products that they are desirous to produce. I feel that we have made great headway in the last few months. I had a meeting with the egg producers marketing board and it was stated to me that that particular board had been trying to meet the last Minister of Agriculture for some several — I don't believe it was months, I believe it was a year or two that they had not been able to get in to discuss certain problems they were having within the industry, one of those problems being that they had a double set of controls on the Manitoba egg producers. They not only were controlled by the number of hens but also the number of eggs that they were able to produce — the only province in Canada that certainly had those kind of restrictions — and it is our intent to change that at the discussion with the producer marketing board and the Manitoba Marketing Board. They are anxious to have only one set of regulations on them and that, of course, being the hen count and they can then become efficient producers and compete in the Canadian market.

**MR. USKIW:** Well, Mr. Chairman, I suppose that I would have a lot more fun in this debate if we had one of the original opposition members in your Minister's chair at the moment, because I can recall the debates in the House, Mr. Chairman, with respect to the national egg marketing board, and the speculation on the part of the Member for Morris and the Member for Lakeside, as to the kind of control this province was going to put on the egg producers of this province, and that we were going to visit the chicken yards of all these farmers and we were going to count the number of chickens and should there be an excess of the allotted amount to any one producer, we would of course be obligated to wring their necks — so to speak in the words, as I recall it, of the Member for Morris.

**MR. CHAIRMAN:** That was the Henaside program.

**MR. USKIW:** That's correct. Our Chairman remembers the debate very well, and quite frankly we decided that we were not going to do that; that in fact, we are not going to restrict people in respect to their hen numbers, that we will allow the regulations to follow the same pattern as do the regulations with respect to all other marketing boards and that is to have the control in the marketplace, not in the question of how many chickens one particular individual has in the barn at any given moment. It is intriguing to me that this government now is going to be wringing the necks of chickens, Mr. Chairman, and indeed is going to implement the policy of Henaside, I believe that's the term used by the Member for Morris when he addressed the Legislature on this very piece of legislation that was then debated, namely the National Egg Marketing Board under CEMA. It's indeed very intriguing and we shall have an awful lot of fun and games on this one, reading back to this Minister and to our friends across the way, their own speeches on this very issue.

**MR. DOWNEY:** Yes, Mr. Chairman, I find it quite amusing, the comments from the honourable member opposite to certainly come forward with the real truth of how he certainly did administer the farm community, that he was prepared to play games with them and that is how he treated it. I think we have a game in the office that was certainly made to play games with the livestock producers and now he is indicating that it is time that we have fun and games in debate over a very serious, in fact, very serious part of Manitoba agriculture, and that is in the area of marketing.

I feel that when we talk of freedom and how people are going to be free, and when we have the people wringing the necks of the chickens on the chicken farms, at least the government has let go of the necks of the farmers, and they are once again able to be a little freer to operate, and in fact, it is the intent of the government with some market promotion, it could be possible that we would be able to certainly remove a lot of the restrictions by selling Manitoba product, and if it is Manitoba marketing incentives and creating of an atmosphere of certainly wanting to trade with Manitoba products, we will work towards freedom of quotas so that we can fill markets that are developed by producer boards or by producers individually or by the individuals already in the production of these products.

So, I think that it is only fair to comment that in the short time that we certainly have had a chance to look at the marketing system that is in the province, the fact that the farm people are certainly looking forward to a lot of changes, I can assure them there will be some changes, and certainly they won't be to be more restrictive on the farm people but will certainly be a lot more relaxed.

**MR. USKIW:** Mr. Chairman, I merely wanted to draw those points to the Minister's attention to impress upon him the obvious dishonesty of his own political party on that very question, as between last year and this year. A lot has changed in the last five months, obviously.

**MR. CHAIRMAN:** (b)(1), Salaries \$124,000—pass — The Honourable Member for Lac du Bonnet.

**MR. USKIW:** I would now like the Minister to justify to the people of Manitoba the logic of going into a national broiler marketing plan. What is in the public interest in that particular arrangement, or proposal, because I see no public interest being served there whatever, and I would like this Minister to tell us how the people of this country are going to benefit from that particular marketing agency.

**MR. CHAIRMAN:** The Honourable Minister of Agriculture.

**MR. DOWNEY:** Mr. Chairman, as I explained earlier, the intent of the Manitoba government in

proposing the type of proposal that we have to enter into the national plan, that we have certainly had representation from the producer marketing board, from several farm organizations that are also concerned about the stability of the individuals within the industry, even though there are not a large amount of numbers of individuals, but hopefully the type of a program that we have proposed; that there will be a chance for a growth of numbers of people into the industry; that in fact if the Province of Manitoba, if the Manitoba Producers Board and individuals in the province can seek out new markets, then in fact they are not compelled to just produce for that part of the market which is restricted to them within Manitoba and Canada.

In fact, with the requests and the position that we have taken the producers will certainly be able to go forward and produce product for a market, not necessarily the market that has been established and the share which has been traditional over the past five years for the provinces. I believe Quebec and Ontario certainly have some 70 percent of the Canadian broiler market and they are not prepared to give up any of that. It is certainly a fact that one of the provinces in Canada feel that they have room to grow and we felt the same way, however the producers within our province that were unanimously in support of entering the national agreement, we, with discussions with them came to the decision that we have at this time. So we feel that we are certainly providing opportunities for the broiler industry to grow, we are providing opportunities for individuals to sell their own products either individually or collectively.

I will admit that we certainly will have a tough time to expand the Canadian and provincial domestic markets, however, we will be prepared to struggle toward more of that percentage, as the national consumption goes up, we will share the same rate as any other province at the same percentage rate.

**MR. USKIW:** Mr. Chairman, to go back many, many years, the whole idea of establishing The Natural Products Marketing Act was an idea to give farm people, many thousands of them, some bargaining position in the marketplace. It was to bring a better balance between the seller and the buyer, designed to protect to whatever degree possible the interests of the legitimate, bona fide farmer.

And here we have an industry that is completely dominated — not by farmers, Mr. Chairman, but by large corporations, national, multi-national and whatever — not farmers by any stretch of the imagination who dominate and control this industry throughout Canada, who dominate this industry in Manitoba. Eleven producers producing 48 percent of our total broiler production, Canada Packers, Dunn Rite, Champs, Friendly Family Farms — that's an interesting one in itself, having a long Conservative history — these are the people that are asking for monopoly control of the marketplace, Mr. Chairman. People that are worth hundreds of millions of dollars who are in the broiler industry want the people of Manitoba to bastardize the existing legislation in their favour, because it was never intended, never intended to give already monopolistic people or corporations, a greater monopoly in the marketplace through that legislation. It's in fact a perverse thing that is now being suggested.

It was designed primarily for the many producers, individual farmers, to collectively market their product. That's what that legislation was put on the books for. And now we find that we have less than a hundred broiler producers in total; out of that number we have 11 that are producing 48 percent of the product as of last fall's statistics, that I can recall — mainly the large corporations in this province. And the only reason they want a marketing plan, Mr. Chairman, is not to do much about changes in marketing within Canada, within Manitoba, but indeed to keep out the imports from the United States. They want to push up the price of poultry products to the consumers of this country, and they want to use the Natural Products Marketing Act of each province to accomplish those ends. Mr. Chairman, Canada Packers does not need any more power. They are a power unto themselves in the marketplace. They don't need to rely on the goodwill of this government, or any government, to give them muscle in the marketplace. They certainly shouldn't have legislation provided for them to do just that; in fact, if there was ever an industry or a commodity that should not come under the umbrella of this Act it should be this industry, because of the integration that has taken place over the years which has wiped out the farmers that were in that industry and has replaced them with huge, vertically integrated corporate structures. So this is not in the public interest, Mr. Chairman, and it's my intention to debate this issue from here to Kingdom Come in terms of what is desirable for the people of this province, for the people of this country, with respect to a marketing system for broilers or for whatever other commodity that we are dealing with from time to time.

There is no logic, there is no rationale, it's totally absurd to give people like Canada Packers and Champ Foods and a few other people, a monopoly, a control on the flow of poultry products interprovincially, internationally, so that they can push up their prices to the consumers of this province.

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

**MR. BILLIE URUSKI:** Thank you, Mr. Chairman. When the Minister of Agriculture in his remarks about creating more freedoms and the like, in this very specific area that he has indicated, of the broiler marketing situation, is he prepared to allow producers to enter into the broiler field and take away some of the market position that has been gained by the 10 producers that control 50 percent of the market, to allow more producers into the marketplace? Is he prepared to do that?

**MR. CHAIRMAN:** The Honourable Member for Emerson.

**MR. DRIEDGER:** Mr. Chairman, since I am supposed to direct my questions to the Minister of Agriculture I will do so. I wonder if the Minister of Agriculture was aware that last year, prior to the election, the former Minister of Agriculture indicated at a meeting in Grunthal to the Broiler Producers that if he remained in power that he would be signing the Federal Broiler contract with them before the end of December? I just wanted to ask that as a question.

I also have another question, Mr. Chairman, to the Minister of Agriculture. I'm wondering — I personally feel that our present Minister's concern is much more for the farmers than for the consumers, and it is my feeling that the member opposite is much more concerned about the consumer end of it than the producer end of it.

**MR. CHAIRMAN:** The Honourable Minister of Agriculture.

**MR. DOWNEY:** Well, Mr. Chairman, I have several questions and I guess I should start at the Honourable Member for Emerson. I certainly was not aware that the last Minister of Agriculture before the last October election had, in fact, promised a group of individuals in Grunthal that if he were re-elected that he would sign the National Agreement on Broilers, and, in fact, to take a reverse position that he has today and come out with some of the comments certainly would help clarify the position that we have taken. In fact, that he is here to oppose the thing that not many months ago he was certainly in support of, and certainly has changed the position.

As far as the Member for St. George's question, the fact do I see or am I prepared to make available some of the market for the producers wishing to enter the production of broilers, to break that particular quota that is now held by those individuals. It is a concern of mine that this type of situation was allowed to develop under the last Minister of Agriculture, that he saw this developing and certainly in the short time we that we have come into office, that this has not taken place. This certainly took place during the administration of the recent past, and would certainly work towards the releasing of some of that quota to individuals who I have said we hope to be able to develop a market for them. To carry on a little further, that in suggesting that the Natural Products Marketing Act was set up, in fact, to allow the farm producers an instrument that they could certainly form for themselves an organization which they could operate under and operate by themselves, that, in fact, it would have probably worked except for the reason that the last Minister felt that instead of being a vehicle or tool for those particular individuals, those producers, but saw where it was an instrument that he could take and use as a tool of government to certainly completely control the agricultural sector. And in fact it did nothing more than to completely confuse the people in the area of production, these people who had formed organizations.

We find ourselves in the position that we have a monopoly type of a situation that was not only set up by them, but it would almost appear in certain areas that it might have been encouraged with the intent of the last administration to set up a dairy processing plant known as Crocus Foods, that the monopoly would have not only been for the farm people but I think it would have been for the last administration of the province.

So I think that, in fact, the Natural Products Marketing Act as initiated was certainly a means in which farm people could have worked under to market their products, but in the hands of a government with a philosophy such as the recent one, it became a very wielding type method to certainly direct the agriculture people in the direction that that particular government wished them to go. And I think it is only fair that now we have the opportunity to turn the thing back to the Natural Products Marketing Act — back to an organization or an Act that works for the producers and not for the government.

I think it's just indicated that at one time in the Province of Manitoba the hog producers, operating under the umbrella of the Natural Products Marketing Act, and in fact the Hog Commission, that the producers had a choice to deliver their products to either a plant of their choice or to the Commission, and they had the freedom to certainly go either way. The last Minister, as I've indicated, certainly saw fit to not give the producers a chance to make the decision whether in fact they wanted to go through that compulsory organization or whether they wanted to continue on a non-compulsion basis, that in fact he felt that he would like to take complete control of as many commodities as he could. I would just like to say that it is the reverse direction, that we would like to certainly free-up some of the regulations and rules that have been placed on the farm people, particularly in the area of marketing.

**MR. CHAIRMAN:** The Honourable Member for Pembina.

**MR. DON ORCHARD:** Mr. Chairman, I have a question for and I'd like to get a definite confirmation of opinion from the Minister of Agriculture vis-a-vis some very pertinent remarks that the Member for Lac du Bonnet has just given to us in the last few minutes.

Since the Marketing Board concept in broiler chickens has turned into a method by which some very large vertically-integrated producers and corporations — Canada Packers, Friendly Family Farms, and Chubby Chicken, I think were mentioned — and seeing as how this Marketing Board originally started out as protection for a group of smaller producers, quite a number of smaller

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producers, that the present Minister of Agriculture would assure this Committee, today, that in fact he will not, as Minister of Agriculture, continue along the policy development of the previous administration whereby they would like to put beef under a Marketing Board and maybe invite the same kind of corporate integration into the beef industry. I want to be assured of that, Mr. Chairman.

**MR. DOWNEY:** Mr. Chairman, that certainly does bring out another good point. I can assure the members of this Committee, and I'm certainly glad it was brought to my attention . . . In fact the last Minister, with some of the desires that he had, proposed a Marketing Board for the beef producers, and they told him explicitly to what extent they wanted to have with that type of a marketing organization. I can assure you at this time that I want to form an organization or have the beef producers form an organization in this province that will not fall into the very pitfall that the last Minister of Agriculture in the province allowed so many of the other commodity products to fall into.

**MR. ORCHARD:** Thank you, Mr. Minister. .

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

**MR. URUSKI:** Thank you, Mr. Chairman. I would just like the Minister to elaborate a little bit on the question posed by the Member for Pembina as to what method he intends to use and employ in allowing or not allowing the producers in the beef industry to fall into the pitfalls that were so expressed by himself and by the Member for Pembina. Could he elaborate on his remarks — what does he intend to do?

**MR. SPEAKER:** The Honourable Minister of Agriculture.

**MR. DOWNEY:** Well, Mr. Chairman, it will be the intent of the government to remove the beef cattle from under the control of the Natural Products Marketing Act, and if it were to be placed under a market control by government that it would have to be debated through the Legislative Assembly.

**MR. CHAIRMAN:** The Honourable Member for Lac du Bonnet.

**MR. USKIW:** Mr. Chairman, we've just received an excellent lesson in dictatorship. The last words of the Minister of Agriculture tell us that while he is condemning the previous government's activities in this field, that he is in fact going much further in terms of controlling the rights of Manitoba producers of agricultural commodities. He is telling us that even if the beef producers want to go into a marketing board, that he is going to legislate so that they cannot have one. Mr. Chairman, I just can't believe my ears, that any Minister in Canada would go so far as to say that we are going to preclude the possibility, in the event that the producers might decide to do it. It's a discriminatory suggestion, it suggests that certain commodity groups will be allowed to avail themselves of existing legislation which was put there for that purpose, but that in his mind, he is going to determine in advance that we are not going to allow certain commodity groups to use that act. If that is not the most extreme position, a dictatorial position that we have heard in many decades in this Legislature, in this House, Mr. Chairman, I have yet to find something much more in its extreme.

**MR. DOWNEY:** Yes, Mr. Chairman. In reply to the Member for Lac du Bonnet. In the area of the removal of the beef cattle from the Natural Products Marketing Act, in fact, I did make the statement if the beef producers of the province were collectively desirous of having a marketing board for their product, that they would be able to recommend to government that it in fact go back under, or be taken back in the Natural Products Marketing Act, and certainly be debated in the Legislative Assembly. I think it has certainly been indicated to the people of the Province of Manitoba that these types of regulations such as the Natural Products Marketing Act in fact are very dangerous in the hands of the wrong administration, and as I pointed out, can certainly put into play a number of regulations or rules that whether they are desirous of them or not, if the government of the day feels in fact that they want to implement them, they could have put them in even though the producers of the province had the choice of wanting to go in or not.

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

**MR. URUSKI:** Thank you, Mr. Chairman. We have now just heard the Minister of Agriculture indicate and go around two circles and where he stops, nobody knows. First of all he indicates on the matter of beef marketing that the provision in the Marketing Act is a very dangerous provision depending on who is in office. He is not prepared to allow the producers of this province to decide collectively whether they wish to form a position in respect to the marketing of their product in an orderly fashion, in no way at all, and he is prepared, and he indicates that he is going to take that provision completely out of the Natural Products Marketing Act. While on the other hand, he is prepared to say to the producers of Manitoba, even though in 1974 you voted against the provisions of having a beef checkoff, I'm going to slam it down your throat, this session, because I have brought in, and I intend to indicate that I have the support of the beef growers' organization of this province, and I am a member of their organization, and I will bring that in whether you beef producers like it or not. The Minister of Agriculture has demonstrated a callous disregard and a total arrogance towards

the intelligence of all the producers, especially the beef producers of this Province of Manitoba.

**MR. CHAIRMAN:** The Honourable Member for Lac du Bonnet.

**MR. USKIW:** Well, Mr. Chairman, the statement that the Minister makes astounds me. He suggests, and I appreciate, Mr. Chairman, that he hasn't been here very long, and I'm sure he's not going to say those things a year or two from now. I regret that he has already done so. He suggests that he is going to change legislation that would preclude a group of producers from using the Natural Products Marketing Act if they so wish, by whatever majority, but furthermore he suggests that it's important to do that to prevent a subsequent government so that they indeed couldn't pursue that course of action. Now, who is he trying to kid, Mr. Chairman? He knows, or he should know, that whoever the government is, and whatever legislation is on the books, that it doesn't have to stay there. If there is a desire to change law, and we do it every day, that's the purpose of this Assembly, is to change the law from time to time and to create new ones. And for him to suggest that we must do this because this Act may fall under a bad administration some time in the future, he doesn't know what he's talking about, Mr. Chairman. It's absolutely absurd.

How are they going to tie the hands of any future administration by any legislation that he is going to pass today, or at this session or in the next two or three sessions. Mr. Chairman, he is presuming, he is presuming that when the people of Manitoba make a decision to change the government, that he may not agree with that change, therefore he is somehow going to try and preclude whatever programs that might be promised or anticipated because of that change of government by an act of the Legislature today. Grow up, Mr. Chairman, I say to this Minister, because that's not the way the world waggles. The laws change every year. They will continue to change in accordance with the times. People will have different desires four years from now, five years from now, ten years from now. It's not going to be the same as it is today, and the government of that day is going to have to respond to those desires, those wishes, those pressures of the community of this province. We cannot predetermine that in advance; I couldn't do it and I'm sure, Sir, that you couldn't do it.

**MR. CHAIRMAN:** The Honourable Member for Emerson.

**MR. DRIEDGER:** Mr. Chairman, I would like to direct my question to the Minister of Agriculture. Is it not true that the various commodity groups that we have in the beef industry right now, the cow-calf operators, the beef growers, and the various registered organizations are the ones that have banded together and are requesting a voluntary checkoff system at the present time?

**MR. CHAIRMAN:** The Honourable Member for Gladstone.

**MR. JAMES R. FERGUSON:** Yes, thank you, Mr. Chairman. I think that the central part of the argument should be that we have already gone through an election that has quite a huge bearing on the matter under discussion and I think the former Minister of Agriculture received the word loud and clear when he lost the referendum by 77 percent to 23 percent. Is he saying if and when the government changes they certainly will have the option of bringing in any legislation that they want to —(Interjection)— That's entirely up to the Minister. And the commodity groups have requested as the Member for Emerson said. So consequently the Minister for Agriculture is only following a promise possibly made during the election and he feels that he has a mandate and I'm quite sure that that vote signifies that he does have.

**MR. USKIW:** A mandate to take away the freedom of people.

**MR. CHAIRMAN:** The Honourable Member for Dauphin.

**MR. USKIW:** I thought we were going to have a freer Manitoba, but not according to this Minister. We are going to restrict further.

**MR. CHAIRMAN:** Order, order please. The Honourable Member for Dauphin.

**MR. JIM GALBRAITH:** Thank you, Mr. Chairman. It is my understanding that this checkoff is to be voluntary. This is being directed to the present Minister of Agriculture, and it amuses me as to how this can be turned around by the members opposite and put in such terms as to say it's compulsory. These people, the commodity groups, are asking for a voluntary checkoff and I see nothing wrong with it, and anyone that doesn't want to stay within the program can easily get out. Is this not true?

**MR. DOWNEY:** Mr. Chairman, I would like to answer the member opposite. First, I believe, it was indicated that I was certainly trying to control the government several years down the road, in fact, I stated earlier in the debate this afternoon, that by removal of the beef cattle from the Natural Products Marketing Act, in fact, to put it back under the control of the Natural Products Marketing Act, that it could be debated through this Legislative Assembly. And that, Mr. Chairman, was the statement that I made and that is giving the producers of the province an opportunity to certainly become aware and have their say in legislation that takes place in Manitoba. As it is now, the government of the day have

the right by regulation to certainly implement, not at the request of the producers, but implement at their wishes. So this, Mr. Chairman, is the reason and the main philosophy that we have as a government that we feel that the producer should have the right to certainly help develop and work towards a type of organization which they are desirous of having.

I would also like to say, that in fact, we are not implementing a checkoff, we are implementing an organization that is controlled by the producers of that organization, that they in fact will have a producer elected board and will determine their future — that the government will not have the direct control that they have had in all the other commodities that they have certainly put into a turmoil in the past few years and turned monopolies into the system that the last Minister has indicated. It is not my feeling that we have all the commodity groups turned into monopoly type production units and handled by corporations — we have family farms which this government are certainly pleased to see operating a lot of these units, we look forward to more family farm units to get into the production of the commodities that are controlled under supply management. I do not say that it will be completely possible to completely free the producers from any form of supply management, but it is our desire to have the producers in this province work towards a freer type system of marketing their products, that they have the opportunity to produce, and the opportunity to grow and expand and to transfer their farm units to one another and government do not have to sit in as the great referee which they did in the past, that in fact, if they wanted to completely control who did what in the province, they had that power to do it.

This, Mr. Chairman, is the reason we are going in the direction we are going. It is because, in fact, the majority of the producers of the province of Manitoba supported this government, that they elected us and we are certainly working towards the fulfillment of some of the wishes. We are not hung-up with a dogmatic idea that we have all the answers such as the last Minister, that we are governing — that we are governing, Mr. Chairman, with a minority of the people of the province, the rural part of the province, supporting the types of things that created some of the problems that the last Minister has brought out here this afternoon.

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

**MR. URUSKI:** Thank you, Mr. Speaker. We have had another lesson from the Minister of Agriculture and the Members for Gladstone and Pembina, on the issue of freedom. I think we may as well recall and bring back, since the last election has been raised here, the matters — it's history now, matters that were raised by the government now, the official opposition then — about a free Manitoba, great freedom in Manitoba that was going to occur. Now here we have the Minister of Agriculture and the member, especially the Members for Pembina and Gladstone, indicating that if you give the producers a vote on to something they wish to do and they are going to vote on it — that's dictatorship. That is what the Member for Pembina indicated. If you give somebody a vote — that's dictatorship—(Interjection)—

**MR. CHAIRMAN:** Order, gentlemen. Order.

**MR. URUSKI:** That's the freedom they are talking about, Mr. Chairman, but then we have the Minister of Agriculture, gets up in this Committee and again says that he intends to take out the matter of producer choice as to whether or not they wish to organize in orderly marketing in the form of beef — he intends to take that out so that Legislature. Well, this matter can be debated in future days in the , what prevents, Mr. Chairman, the Minister of Agriculture, or whoever the Minister is of the day, to before the agreement is signed or any agreement, or any marketing agreement that may be organized is signed, to bring it into the Legislature and have that matter debated without changing the legislation? What prevents the Minister of Agriculture from doing that today without taking that matter out of the Legislature?

It reminds one of the time that the producers of Manitoba were organizing the turkey marketing board of the day. When the government of the day then was dragging its feet in the Legislature because of some fandangling with the corporate sector who were in control — Mr. Chairman, after an 85 percent overwhelming vote that the producers wanted to form a marketing board, it took, I believe, at least six months.

**MR. USKIW:** No, two years.

**MR. URUSKI:** Or two years, before the government of the day would approve the plan that the producers voted in favor of. This is the same type of restriction that is being imposed on the producers of this province, because even if the producers voted and wanted to vote in favor of some orderly marketing, this Minister and this government, because he now says that it is such a dangerous provision in the Act, that he wishes to take it out of the Act because if some future administration comes in, it will be dangerous in their hands. That's the kind of freedom that that Minister of Agriculture is talking about.

The Member for Dauphin talks about a voluntary checkoff. Mr. Chairman, the producers voted on that very issue in 1974. The fact of the matter is, Mr. Chairman, when you take off funds without the consent of the producer at the time of sale, someone better convince me that that is voluntary. There is no doubt that that producer can opt out of that plan, Mr. Chairman. But I venture to say, Mr. Chairman, what will be the end result of that producer opting out? I venture to say, that that

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producer's name somehow will escape, and I venture to say that that producer will have a terrible time in the marketplace. He will be discriminated against because of his —(Interjection)— because of the provisions of that provision. That is what will happen, Mr. Chairman, that's exactly what will happen—(Interjection)—

**MR. CHAIRMAN:** Order. Order, gentlemen.

**MR. URUSKI:** That is the freedom that they are talking about. —(Interjection)—

**MR. CHAIRMAN:** Order, gentlemen. Order please. May I remind you that we are transcribing the debates of this Committee and I just wonder how they are going to transcribe that muttering that was going into the recording system a moment ago. The Honourable Member for St. George, carry on.

**MR. URUSKI:** Mr. Chairman, the Minister of Agriculture has the gall to get up in this Committee and say that members on this side are dogmatic; that the members on this side of the House are dogmatic in their approach. Mr. Chairman, I submit to you that this Minister of Agriculture is the most dictatorship oriented dogmatic Minister of Agriculture that this Legislature has known in the last two or three decades.

**MR. CHAIRMAN:** Gentlemen, in accordance with Rule 19(2), the hour of 4:30 having arrived, I am going to interrupt the proceedings of the Committee to move back into the Legislature for Private Members' Hour and if there is not sufficient business in the Chamber for it to complete that hour, the Committee will meet here again, so I ask you to interrupt and we move back into the Legislature for the Private Members' Hour.

### **SUPPLY — DEVELOPMENT AGENCIES**

**MR. CHAIRMAN, Mr. Abe Kovnats:** I would direct the honourable members to Page 52, under Development Agencies, Resolution No. 77. Item 1. Manitoba Development Corporation. The Honourable Member for Inkster.

**MR. GREEN:** Mr. Chairman, the Minister has just got his information and is coming back into the House. I'll just wait until he gets settled.

Mr. Chairman, yesterday the discussion on this matter was closed by a talk given by the Highways Minister who felt that he had to come to the rescue although I thought the Minister was doing a good job. The Highway Minister was disturbed lest any Conservative be persuaded by logic and fact and said so, Mr. Chairman. He was of the opinion that if he did not come to the rescue, then there would be a problem with regard to members on his side who might, when faced with the facts, have some understanding of what the Manitoba Development Corporation was, have some understanding of what public investment means, not only to the economy of Canada but to the economy of the Province of Manitoba in particular, and gave, Mr. Chairman, the House to understand that I had not properly put before it the true facts or a true position, vis-a-vis the necessity of public investment.

In order, Mr. Chairman, to sustain his position and in order to demonstrate how weak it was, the Minister of Highways said that, (1) I told the House that if the Support Program for Saunders was continued, it would wipe out a \$40 million Saunders' debt. Now even the Minister responsible for the Development Corporation shook his head in dismay when the Minister of Highways made that remark because no such statement was made. But the Minister of Highways, because he was unable to defeat the propositions that were advanced and was in a desperate condition to defeat something, invented the argument that he proposed to then shoot down. That one was rather irrelevant, Mr. Chairman.

The next position that he put forward is a little more of concern to me because he now suggests that the manner in which the Development Corporation was handled under the New Democratic Party administration, was responsible for a far greater degree of public losses than that for which the Conservative administration was responsible and he blamed that on our ideology. Well, Mr. Chairman, the arguments have passed back and forth on numerous occasions, and it's not going to be of great value to repeat them here this afternoon, except with respect to one point.

The Minister of Highways said that the Churchill Forest Industries Inquiry was set up as a political instrument with which to whip the Conservative administration. Now the truth of the matter is — and everybody said so at the time, Mr. Chairman, including the Conservative Party — the truth of the matter is that when Churchill Forest Industries was put into receivership, the Conservative Party immediately cried, "Foul"; said that this was not a valid receivership, it was an attempt to nationalize the industry and the reason for the inquiry was not to raise political arguments about the Conservative Party, the reason for the inquiry was to see whether this take-over by receivership had anything to do with an ideological take-over or whether it had to do with something that the people of the province had to do. And as a matter of fact, Mr. Chairman, the Conservative Party lawyer at the inquiry continued to ask questions, not suggesting that we had done something wrong in continuing to advance moneys which is now the line of the Minister of Highways, but suggesting that we had no

right to put in a receiver, that this was a political move and that it was designed to dispossess Messrs. Kasser and others of their property. It was only after the inquiry had continued for some months that it became apparent that this was not the nature of the argument and the Conservatives had to do a 180 degree turnaround. At that point, instead of saying that we had nationalized an industry because we were trying to take it under public ownership, they said that we had been paying out too much money all along.

Well, Mr. Chairman, the only reason I bring that out is because the Conservatives have had a peculiar attitude toward judicial inquiries. The judicial inquiry found that at no time, up until the very last few months, was there any reason to have the government step in, that in not stepping in we were following the advice of Arthur D. Little; we were following the advice of our solicitors; we were following the advice of Stothert Engineering, that not a single person including the late Walter Newman — who should be a god to the Conservatives, a passed-away person but nevertheless — not a single person suggested that we move earlier than what we moved. And the Conservative Party's first position — talk about two speeches — was that we moved too fast and when the facts came out, they started to say we moved too slow. And the member said, "We advanced \$100 million." Well, it's true, Mr. Chairman, but the fact is that at no time until we did move in could we have moved in without subjecting the people of the Province of Manitoba to tremendous law suits, damages and an incomplete project.

The Member for Lakeside in a statement which makes him appear to have less business acumen than even I thought, said that when we gave the \$92 million to Kasser, and he also got the complex and also got X dollars, what I fail to appreciate is that he would have to pay back the \$92 million.

Now, Mr. Chairman, how the Minister of Highways could make that remark, that somebody who loans money has to pay it back, is something which he should know better on. That there are many people who borrow money and cannot pay back. And with regard to the complex, if it was paid back, it would be paid back out of profits; that's the only way it would be paid back. And if it's to be paid back out of profits then those profits rightfully belong to the people who put up the money in the first place, and therefore he has paid back nothing. Nothing has been paid back; it was heads he wins, tails we lose. If it was good, he paid us back with our own money; if it failed, we lost everything and he walked away with X dollars.

And that, Mr. Chairman, fortunately — you know, I don't have to rely on hindsight — fortunately, this is exactly what I said in 1967 when I spoke on this project, that's three years before we came into government, and we talked about whether this is a good deal or whether this is a bad deal. And I want to read into the record what I said at that time, Mr. Chairman.

"Those who believe that private enterprise should develop the resources of a province or should be responsible for the economic growth of a country," — that's what we're talking about today, interestingly enough — "say that where there is a group of people who have the acumen and the imagination and the foresight to see that by undertaking a particular venture they can have a profit accrued to themselves, then if they undertake it and risk the capital and use their imagination, they should be entitled to the profits."

But there is no economic theorist who said that these people should be subsidized from the point of view of creating that development, and then that they should keep the profit. So I can't accept that fact, the fact that the question of whether it is a good deal or a bad deal is an answer to this question, Mr. Speaker, I suggest. And this party has all along suggested that if private enterprise has to be subsidized to the extent that it is not really risking the capital for the purpose of investing in the venture, then it should not be subsidized to do so. If it's necessary for this province to have its forestry developed, if we see that it's a good thing, if we are to put up the money then I say we should reap the benefits. If the people of Manitoba collectively make the investment, then the people of Manitoba collectively should accept the returns, and in this respect I am not a doctrinaire socialist. If it will make my honourable friends opposite happier, I am a greedy, money-grubbing capitalist. That should make you happy. I want to make the investment and I want to get the profits, and that's what I say that this province should have done with regard to this particular deal.

Now I want to indicate, Mr. Speaker, that wherever private enterprise doesn't have the initiative to go into something, and if it's considered that it is necessary to have this type of development for the good of the people of the Province of Manitoba, I say that it should be done publicly. It can't be a good deal, it just precludes it from being a good deal if private enterprise has to be subsidized to do it. And I indicated, Mr. Chairman, that if it was a good deal because it was a good forestry complex, then we were the ones who should get the benefit of it. And if it was a bad deal, then we were going to suffer by it, and Mr. Chairman, it has turned out very much in that way.

However, before we just leave that point as to whether it is done differently by Conservatives, and I see that there are some Conservatives in their seats, then let them swallow the fact that a Conservative government in British Columbia put \$20 million into an automobile factory, which was lost. That a Conservative government in Nova Scotia, led by the Leader of the Conservative Party up until a short while ago, put \$100 million into a heavy water plant and it was lost. That a Conservative government in the province of New Brunswick put well over a million dollars into a pleasure cruise boat — Nova Scotia, Nova Scotia, a Conservative government, it was Smith that did it — (Interjection)— Pardon me. I was Conservative when they built the Bluenose.

**MR. BANMAN:** There's another one in Florida right now.

**MR. GREEN:** Oh, you're talking about that new one, I'm talking about the Conservative cruise ship.

There is a Conservative cruise ship and there is a Liberal cruise ship — (Interjection) — Mi Ken Azoy, Mi Ken Azoy, that's right — and the Liberal cruise ship cost much more money and they lost money on that. But the Conservative cruise ship, the Bluenose, loses much more than \$300,000 operational expenses per year. It will not be sold by the government of Nova Scotia for \$250,000, it will not be sold by the government of Nova Scotia for any price. And the Minister is unfair when he regards that particular project as a Manitoba Development Corporation project because he knows, because he questioned about it in Committee two years ago, that last year — all right, last year it was the questioning — when we indicated that the Development Corporation had written off that project, that it was taken over by the Department of Tourism, that it is not considered a business venture, that it was not considered as having commercial value. And I agree with the Minister that if you're selling something for commercial value and it loses \$300,000 a year then you can't talk about what it costs to replace it — but what would you then sell the Nonsuch for, for commercial value? You wouldn't get \$200 for it. It would cost more to take it apart and take it out of the Winnipeg Centennial Hall than you could get for it; you'd have to pay people to do it.

So the Minister knows that the Lord Selkirk was not an MDC Development enterprise, that at the time that he took over the MDC, although it was still on the books, the papers as between the two departments were all ready and merely had to be transferred by Management Committee, and that it was to be operated by the Department of Tourism as a tourist development boat, Mr. Chairman. And some day, somebody in Manitoba is going to say: Wouldn't it be terrific if we could make use of Manitoba's ocean-like lakes to attract tourists from midwestern United States where they don't know what a lake is, that they don't have a lake that they can't see across, and in many cases that they can't wade across, that here is a tourist attraction that will bring Americans to Canada that will rival . . . Mr. Chairman, do much better than the Convention Centre.

And I put it to the Minister — he's in charge of Tourism — what commercial value has the Convention Centre if you were selling it as a business? It loses \$600,000 a year, and I think I'm being modest. Well, it has been losing \$600,000 a year, and that's without including 1 percent of interest on the invested capital. Do you know that the Convention Centre loses more money than Flyer Industries loses? never calculated The Convention Centre cost \$25 million to build; they've interest on its capital to add for five years which would be \$10 million; they've never added the operational expenses which are paid by the province and the city of Winnipeg; and all of the free enterprisers on City Council talk about this great institution which by economic standards loses in addition to \$3 million a year. Now, would the Minister, on the basis of that type of arithmetic and on the basis of that reasoning sold the Convention Centre for \$250,000 because its commercial value in terms of an operating business would not be that. One would have to pay somebody \$30 million a year to get the interest of the \$3 million a year that is being lost to continue to operate the Convention Centre. But, Mr. Chairman, it is only looked at in these obscure myopic terms when it is a New Democratic Government that is doing it.

But what is the relevant question? You know, the arguments of Minister of Highways are not very crucial to this discussion. What is crucial to this discussion is that Manitoba and every other province in Canada requires public investment and public involvement, that that is not a socialist doctrine, that that is a doctrine that has been adopted by every capitalist government in Canada and in every province in Canada, including — and that it has been adopted, Mr. Chairman, because of the failure of capitalism and private enterprise — the acknowledged failure, and as a result of this acknowledged failure the Federal Government contributes \$100 million a year in addition to infrastructure and other things to direct social assistance to private enterprise, and governments in Canada throughout this country contribute millions of dollars every year to give social assistance to private enterprise.

The Minister made noises and his colleagues made noises. The Member for Morris, the Minister without Portfolio made noises, the Member for St. James made noises — was that no longer will this be done. We made mistakes with the MDF — we shouldn't have set it up, we shouldn't have been subsidizing failing industries, and it won't happen again, The Minister of Tourism said, "When those things happened I was in High School. Now I'm here and it won't happen."

First of all, Mr. Chairman, I don't believe them. Well, it's started to happen. CCIL was, Mr. Chairman, and I'm not objecting to it. I say that that kind of thing sometimes has to be done. I agree. But the CCIL is the giving of money to industries in the province because one wants to give them the money rather than see them fold up.

Yesterday I gave the honourable member a list of 300 private enterprise companies in the Province of Manitoba that owe their existence in whole or in part to the fact that the public was willing to make a financial investment. The Minister says that they're not going to do it any more, that they're not going to have the mechanism. I ask him, "What will be the mechanism? Tell me." And I make the same plea that I made yesterday. I beg the Minister to tell me that it will not be what the Attorney-General said during the election campaign, because the Attorney-General during the election campaign said that my covenant and the covenant of all the people who are represented by members of this Chamber is going to be given to banks, to give money to private industry when the bank feels insecure, so that the bank will always come out ahead and the only risk will be taken by the people of the province. The businessman can lose, the bank can't lose, and the people of the province can. That's what the Attorney-General says. I beg the Minister to tell me that that will not be his mechanism.

I also ask the Minister to tell me that the mechanism will not be the mechanism offered by the Member for River Heights which has now been adopted in Ottawa by giving Izzy Asper millions of dollars of your money and mine on the basis that Asper is a financial genius and will go out and invest

it and I will make money on it.

I know that there are different methods that can be used to invest my dollar, and I am asking the Minister to assure me that that is not the mechanism it will use. And if that is not, Mr. Chairman, then I want to know what is wrong with what were doing in the last four years, which did not cost the province money, which provided an investment opportunity either of an equity nature or of another nature, which did do it with regard to McCain Foods and several other programs, some of which were not accepted but, where the existence of the fund made the thing possible, and I will give the honourable member the names if he wants them. There was a corporation agreement to invest in a peat moss operation which was approved, and which turned around at the last moment but facilitated the operation, and in a trucking business. So don't say there was no business done. And in the CCIL with regard to \$15 million if it was guaranteed by the parent organization, so don't say that the corporation did not play a significant role in development. What we didn't do is do what has been the pattern of investment under the Conservative Administration, which we carried forward for four years after we were in office, and I agree that that was a mistake — we didn't merely be the patsy for all of the problems which were insoluble in the private sector and which the public sector was expected to solve.

Mr. Chairman, the Minister's problem has not been failure, it has been success, that by the time he became the Minister in charge of the corporation the problems had been substantially ironed out and it was moving on a course of sane, good, commercial development in the Province of Manitoba. When it became apparent to him that he was going to be saddled with public successes he could not live with that embarrassment. The Honourable Minister could not live with the embarrassment of a public success, and therefore he wanted to get rid of them as quickly as possible. —(Interjection)— Well, the Member for Lakeside says no. Cybershare was a miserable failure under your private enterprise Task Force related people. It went bust, was taken over by the public, and within a few years it started to make a profit.

And Mr. Chairman, Morden Fine Foods could make a profit if it was only given, and the Minister ultimately will give it to them — either he will give it to some private firm, and then give them a far fair shake of public business — because we had a hint of it, Mr. Chairman. How did a statement get to the paper from the purchaser of Cybershare that, don't worry, the government will not compete with you in the field of seeking private accounts, and you now have certain public accounts. How did it get out that that man said that the Minister told him so and then came back and said, "No, the Minister didn't say that." Well, he had a very good reason for saying that the Minister didn't say it, because he's still depending on the fact that he will not be competed with by the Manitoba Computer Data Service. And I warrant that he will not, because I, Mr. Chairman, believe that he has reason to think that he will not be competed with.

I ask the Minister is it not a fact that in the purchasing bureau there are many brand names given, and that sometimes —(Interjection)— Well, you're cleaning that up, Mr. Chairman. The fact is that not only is Morden Fine Foods, the publicly-operated company which has a significant role in Morden, not only is it not given a fair, given any preference — and I tell you that I would not hesitate to give it a preference, and we wanted to give it a preference — but it is discriminated against. It is discriminated against, Mr. Chairman, because I tell the honourable member that the private enterprisers deal much more sanely with their related companies than we do. And the Safeway Company buys merchandise not where it can get it cheaper; it buys it from its wholesale. And Loblaw's buys merchandise from its wholesale, and I.G.A. provides its stores and has an agreement that they will not buy elsewhere, and the one that is left without a relationship where it has an in to these operations is the public company.

So what we said, Mr. Chairman, is that where we are the operators, where we are the operators, and we know that the product is good and comparable quality-wise, and the price is comparable, we are going to buy our own product. And, Mr. Chairman, the Conservative Party will do the same thing. I assure you, Mr. Chairman, that the Conservatives in the Province of Alberta will give a local industry a preference, and that the Province of Quebec, which was run by a Liberal government and a Union Nationale government, will not buy buses from Flyer, they will only buy buses that are built in Quebec by the local company. Where we start turning that around is when it's a public company. Suddenly we must discriminate, not only we must not discriminate for them, we must discriminate against them to show how pure we are.

Mr. Chairman, Morden Fine Foods could have a future in this province, profitable, viable, if it was only treated in the same way as private enterprise treats its related companies. It needs nothing more. It need be given no privilege. It needs to be treated with the same ground rules as private enterprise treats its related companies.

And if he did that, Mr. Chairman, he would have a portfolio which consists of Tantalum Mines, which is operating on its cash flow — and if you look at what they take off their profit ledger with regard to depletions and other things you will see that they are making a profit and doing very well, and the Province of Manitoba is doing ver well by Tantalum. Cybershare, which was making a profit, Dormond Industries, which was making a profit; Western Flyer Coach Industries, which made a profit three years running but which there is a problem with — and I acknowledge that.

But the interesting thing about Flyer is that the consultant's report predicted a \$3 million loss ending fiscal 1977, and what the Minister has not yet reported, officially, but what he and I know, is that Flyer Industries made a profit in 1977 — a profit in 1977.

Clare Publishing, Mr. Chairman, is a problem. No doubt that it's a problem, but we did the only thing that we could do with it, and royalties will be coming in from that program for years to come. He

says — I don't know what he's signalling to me — oh, we're keeping our fingers crossed. Mr. Chairman, I appreciate that from the Minister — that we are hoping that the royalties will come in. And I will now say let us assume that they do not come in, but I think that Rand McNally are not stupid, that they have some knowledge of what they can market, and they have made a considerable investment in this produce, but, Mr. Chairman, that company has developed a series of modules, I think it is approximately 30 books. The cost to the Province of Manitoba at this stage is in the neighborhood of \$2 million. I suggest, Mr. Chairman, that if you will look at the educational research on which we have spent \$2 million that does not show up as a loss anywhere — and let the Minister correct me if I'm wrong — that if you will look at the educational research programs you will not find any on which we have spent \$2 million, which has been considered money well spent, which can compare in ingenuity, in development, to what has been developed by Clare Publishing with regard to mathematical moduling. And, Mr. Chairman, each of those modules show that this particular educational program was developed by Clare Publishing in the Province of Manitoba through the Manitoba Development Corporation, and I'm hoping that the royalties will pay for it. But if they don't, Mr. Chairman, it does not mean that it wasn't a significant program to go into.

Well, Mr. Chairman, I'll conclude my remarks. I want the Minister to tell me what is going to replace what has been a significant contribution by the public to over 300 businesses most of which are presently operating, employing people, and creating wealth in the Province of Manitoba?

**MR. CHAIRMAN:** The Honourable Minister.

**MR. BANMAN:** Well, Mr. Chairman, I think I briefly touched on it yesterday, and just to sort of reiterate my remarks that I made yesterday, as I mentioned yesterday, that we are right now in the process of examining the role of the MDC. I can't tell the Minister that there are any definite policy patterns that will be followed. The former Minister will appreciate that there was a staff of something like 18 to 20 people that are involved. The member also knows that in the last little while, even though there was a substantial loan like McCain's made, the activity in the last three years as far as new loans, I'm talking about new loans, new loan activity has been very minimal.

Now, whether it should be sized and retained, whether we shut down the operation, that is a policy determination that will be made over the next period of time. So I'm not getting up here and saying this is exactly what is happening with the company because I think that it will require some further studying on my part and on my colleagues to determine exactly which direction it will go.

I should also point out that, in the meantime, the Federal Business Development Bank which has entered the field very aggressively, — and the Member knows the Federal Government has adopted a pretty aggressive policy with regard to that bank — is definitely picking up some of the — if you want to call it slack — that the Manitoba Development Corporation was assigned to do. Also, we have had the advent of several other lending institutions such as RoyNat which is dealing with much higher risk loans than were available 3, 4, 5 years ago. So the direction has changed.

So in assessing the impact of these different agencies, as well as the impact and experience of MDC over the last number of years, these things will all have to be taken into consideration in the formulation of the policy as far as the direction we go. So I'm not here to give a definite yes or no to any particular statements. I know the member opposite will appreciate that having been here five and one-half months there's only so much that you can do and so much you can absorb and given that, I think that we will try to move as responsibly as we can with regard to this matter.

**MR. GREEN:** Yes, well, Mr. Chairman, maybe we're coming close to the wind-up of the questioning. May I then take from the Minister's answers, and then I want to know if I'm right or wrong, what I derive from his answer is that it is not the policy, the present policy, of the Conservative administration to wind-up the Manitoba Development Corporation. That's step No. 1. — that it is not the policy to wind it up.

Secondly, that the present Conservative administration is reviewing what the role will be of the Manitoba Development Corporation.

Thirdly, Mr. Chairman, that the Progressive Conservative administration realizes that there is a need for public investment in the economy of the Province of Manitoba in order to maintain a sufficient level of industrial and economic progress.

And, fourthly, Mr. Chairman, the Minister will not commit this government — his government — to do what was suggested by the Attorney-General, namely that the Manitoba Government will be the patsy for every problem that exists in the economic field by becoming the guarantor of loans made by private enterprise from the banks on that portion of the loan which the banks feel unsecure with.

Am I right in making that assessment from my honourable friend's remarks?

**MR. BANMAN:** Mr. Chairman, first of all, let me say that we have asked the Manitoba Development Corporation, while we are reviewing the role and seeing what direction we're taking, to put a moratorium on any new loans as far as new loan activity is concerned, which they have complied with. Out of the loan portfolio that they were negotiating there were, I understand, two loans which have been turned over to FBDB, to the Federal Business Development Bank. That is where we are right now.

With regard to a few of the other specific matters, the member mentions the realization for a need

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of public investment and that's part of our review. I think that with the advent — and again I come back to the FBDB advent, that's public investment — but one of the things that I have always said is that I do not want to duplicate a service that is already available to the people of Manitoba, whether it be through the federal system or the provincial system. So right now I am not going to commit myself to any specific answers because I'm going to be reviewing the whole thing.

**MR. GREEN:** Mr. Chairman, I don't know whether I'm asking for specific answers. I'm asking him whether I can take his answers and translate them in my mind as follows: — and if I'm wrong, I want to know — that it is not the present policy, not the present policy, of the Conservative administration to discontinue the Manitoba Development Corporation role. Is that your present policy, to discontinue it?

**MR. BANMAN:** Our present policy, Mr. Chairman, is to place a moratorium on loan activity and that's the policy right now. We're not loaning any money right now.

**MR. GREEN:** Well, I'm going to have to pin the Minister down. Does the Minister exclude a future role for the Manitoba Development Corporation or is that under review?

**MR. BANMAN:** Yes, Mr. Chairman, that's under review.

**MR. GREEN:** So the Minister then does not exclude a future role for the Manitoba Development Corporation. It is possible, is that correct? I'm putting on the record that the Minister said, "Yes, it's possible."

The Minister recognizes a need for public investment to maintain economic activity in the Province of Manitoba and says that, in part, that is now being supplied by the Federal Development Bank. Does he object to the philosophy of the Federal Development Bank in providing these funds?

**MR. BANMAN:** Mr. Chairman, as I mentioned before with regard to the Federal Business Development Bank, the Federal Government has undertaken that particular policy. If they are going to be providing loans to enterprises on a higher risk basis than some of the other people would, that's a matter for the federal people to decide. But let me tell you that given that particular advent of the Federal Government into this, the need for the MDC is questionable and that's part of the review.

**MR. GREEN:** Mr. Chairman, my honourable friend has not answered my question. Do you object to what the Federal Development Bank is doing in assisting private enterprise, through public funds, in the Province of Manitoba?

**MR. BANMAN:** Well, Mr. Chairman, I'll reserve my decision on that because maybe that can be handled through other agencies also.

**MR. GREEN:** If the Minister is reserving his decision, and he is apparently reserving his decision on that, well, let us get more specific. Has the Minister objected to the Federal Development Bank investing public money in private enterprises in the Province of Manitoba? Has he registered any objection with the Federal Government?

**MR. BANMAN:** No.

**MR. GREEN:** Now, Mr. Chairman, then let's deal with the last question. Will the Minister not tell this House — and this is the last question and I really am urging the Minister for an answer and I'm just praying to God, if I may adopt the practice of the Lieutenant-Governor, with perhaps more success, that he will answer that he is not going to do it — is it one of the considerations of this Minister that the Province of Manitoba is going to guarantee the banks for that portion of loans requested by private businessmen that the bank feels insecure in taking and therefore needs the guarantee of the Government of Manitoba? Is he telling me that my covenant and the covenant of all of the people of the province may be used to that effect, or is he telling me that it won't be? Can he now tell me that it won't be?

**MR. BANMAN:** Mr. Chairman, I can neither confirm nor deny that.

**MR. GREEN:** So then you are telling me that you cannot deny that one of the features of the Conservative government, which they may do, which they may do and which you do not exclude as a possibility, is that we in Manitoba instead of investing on the thesis that we have been in the past, may be asked to guarantee banks to lend money to private enterprise. Where the banks don't feel secure the government will guarantee that they will be secure for that part of the loan that they don't feel secure about. What you're saying is that that is something that you may do. Well, I'm asking the Minister to please tell me that that is excluded and if he will not tell me that that is excluded, then may I draw the assumption, which he is certainly leaving this House with, that that is a possible direction of the Conservative government.

**MR. BANMAN:** Well, Mr. Chairman, the member can assume what he would like but let me tell you

this, that there are many avenues that we are exploring. There are a number of provinces and he mentioned one, the Federal Government getting involved in the venture capital thing. There's Ontario looking at a system; Quebec is looking at a system right now which I haven't been able to sit down and look at properly, and what I am telling him is that we are going to be formulating policies over the next while and once we have formulated that — and I'm not going to stand up here and say I'm precluding myself from looking at any different options on them. That's what I'm telling the member right now.

**MR. GREEN:** Well then is the Minister telling me that one of the options that he is now looking at includes the option that the public of Manitoba are going to be asked to guarantee the banks for that portion of the loan that is requested by a private individual or a private enterprise firm, which the banks feel they will not advance on the security that is there because they feel it is not secure? Is that one of the options that you are looking at?

**MR. BANMAN:** Mr. Chairman, I have not looked at that option but I reserve the right to look at it.

**MR. GREEN:** What you are telling me is that to this point you have not looked at that option. May I, on behalf of some citizens in the Province of Manitoba, on behalf of some citizens — and I think that I have no difficulty in speaking for my party — that 40 percent of the people do not want you to exercise that option or look at it. I suggest to you that of the other 49 percent, 45 percent would tell you not to look at that option and that the entire Liberal Party will tell you not to look at that option and that every Conservative that I have spoken to says, "Don't look at that option."

So I ask the Minister, and I believe that he would do himself some good by getting up . . . Well, let me ask him then, does it sound reasonable to do that? May I ask the Minister who has some knowledge of business and has shown at least some ability to look at balance sheets which I cannot say for his previous leader, that at least he made some sense out of the balance sheets that were presented to him at the Economic Development Committee. Does that option make sense to you at this point?

**MR. BANMAN:** Mr. Chairman, I am going to say that I have not had an opportunity to look at that particular thing. I will be looking at it. I appreciate the comments of the Member for Inkster and his feelings with regard to that particular way of pursuing the loaning applications. I will be looking at it and I might arrive at the same conclusion the gentlemen opposite have.

**MR. GREEN:** Mr. Chairman, I was almost ready to close this out on the basis that the member said that he is hadn't looked at it. Now he scares the death out of me by saying that he will look at it. I ask the Minister, in all seriousness, has he not thought about that suggestion? It's been mentioned several times in this House. As a man of reasonable intelligence, has he not formed any opinion? — (Interjection)— That's right. I cannot believe, Mr. Chairman, that this Minister with his knowledge, with his dealing with the Manitoba Development Corporation, does not have an opinion on that question. Has the Minister had a chance to think about that for the last two years when it's been bandied about and sent to his caucus by the Chamber of Commerce, has the Minister thought about it?

**MR. BANMAN:** No, Mr. Chairman, I haven't thought about it in any amount and the honourable member opposite could appreciate though, and he's advising me not to look at it or study it, he would appreciate it. You know, before a decision is made, the person that is making the decision should be apprised of all the facts and everything before him with regard to that. If at that time, after studying it at length, I come to the same understanding that the member has indicated that I should come to, then so be it, but he would also agree that I should not be making my decisions on a mere few facts. I should have a full knowledge of what is contained in the thing and that's really what I'm trying to say at this time, that I want to make sure that I'm apprised of all the facts so that I can make a proper decision.

**MR. GREEN:** Mr. Chairman, I wouldn't want to hog the entire floor if the Member for Minnedosa wants it.

**MR. CHAIRMAN:** The Honourable Member for Minnedosa.

**MR. BLAKE:** Mr. Chairman, I just would like to say to the Minister that if he should look at that option that the Member for Inkster has suggested that he might look at, or may be tempted to look at, . . . I wonder if he should look at that option, if he might consider at the same time the farm improvement legislation which has been one of the finest pieces of legislation to stimulate the agricultural economy that's ever been passed by any government. All of those funds were government guaranteed. They were advanced by the financial houses, the credit unions and the banks of this country. The losses have been extremely low, almost negligible, because those loans were serviced and policed by the financial institutions that put the funds out. I suggest that it might not be a bad idea if he should look at that suggestion.

**MR. GREEN:** I'm quite happy that the Member for Minnedosa has brought that in as being a

suggestion that should be given reasonable consideration to and he indicates that the losses were negligible. I can tell the member something: the banks didn't lose anything. The banks didn't lose a penny because the public of Manitoba guaranteed all the loans. There have been losses, there have been losses, significant losses, Mr. Chairman, and if we want to lay them on the table, — (Interjection)— Well, you know, Mr. Chairman, there have been considerable losses in that program but the difference is, Mr. Chairman, when rural people, who I say are the most committed socialists of all, when they are . . . Mr. Chairman, I have every respect for them. They understand, they understand better than the task farce that you do not have tolls on highways to pay for highways. They understand better than the task farce that you do not have assessments against land to pay for provincial drainage, that you try to take more and more drainage out of municipal hands and make it provincial. They understand better than the task farce that the public is needed in terms of making it possible for young people to farm and to farm in such a way as to obtain a decent return on their income. The task farce would wouldn't recommend any of those things. They would recommend that the public guarantee businesses loans from the banks where the bank feels the loan is insecure. I say to the Member for Minnedosa, that the banks didn't lose anything on that program and I can quite see why the bank would say, "We thought it was a tremendous program."

**MR. BLAKE:** The government didn't lose money on it.

**MR. GREEN:** The government did lose money.

**MR. BLAKE:** 8Less than one percent on millions and millions and millions of dollars.

**MR. GREEN:** Mr. Chairman, any money that was lost was lost by the government. The fact is that the program —(Interjection)— That's right. That's a wonderful program. You lose, we win.

**MR. DESJARDINS:** The public takes the gamble and you guys make the money. He doesn't understand. They don't understand the program. You make the money.

**MR. GREEN:** I would have hoped, I would have hoped for better, I would have hoped for better from the Minister. Down deep, I believe that the Minister would like to tell me that, "Don't worry, Sid, not on your life am I going to do a crazy thing like that. But some of our party politicians have been sucked in to saying that and you don't really expect me to get up in the House and tell those guys what idiots I think they are. So you're going to have to be accepting this answer — which is sort of a classical answer — we review anything, we review anything."

It reminds me, Mr. Chairman, of the — and I'll be short and I promise you that I'm going to go away in a couple of minutes. I'll just do this quickly. When I spoke in the House last year on the Tony Pilutik issue, a lawyer reported me to the Law Society because I said that if the Law Society is going to disbar people because they drink, they swear, they like ladies and they are sometimes not polite in public, that if that was the reason, there would be no lawyers in the City of Winnipeg and in the Province of Manitoba. The Law Society got a complaint from a lawyer that I had degraded the legal profession by saying . . .

**A MEMBER:** In fact he's upgraded them.

**MR. GREEN:** . . . yes, well, that's what I thought. And the Law Society sent me a letter of this complaint which I was very annoyed with. And they said they review anything. So I said if I wrote a complaint against you — this to the president of the Law Society — if I sent a letter to the Law Society saying that the president of the Law Society has eight cats, would you say that we have a complaint against you if somebody says you've got eight cats. He said, "No, we'd send it back."

There are certain propositions, Mr. Minister, that are not worthy of review and I regret that you have not so indicated that with respect to this proposition because I will go to the people of Manitoba and tell them that this Minister is prepared to look at and review this type of proposition. And you left me no alternative.

**MR. CHAIRMAN:** Item 1.—pass; Item 2.(a)Administration—pass; Item (b)—pass; (c)—pass; Clause 2.—pass.

Resolution 77—Resolved that there be granted to Her Majesty a sum not exceeding \$314,600 for Development Agencies; Community Economic Development Fund \$314,600—pass.

That now completes consideration of Development Agencies, Resolution 77.

## SUPPLY — MINES AND RESOURCES

**MR. CHAIRMAN:** I would like to direct the honourable members attention to Page 57, Mines, Resources and Environmental Management. Resolution No. 81. Clause 1.(a). The Honourable Minister.

**HON. BRIAN RANSOM:** Mr. Chairman, I'm pleased, although somewhat surprised to be able to move into the presentation of my Estimates at this time. I would first of all like to offer my

commendation to the previous Deputy Minister, Mr. Cawley, of this department, who was in the process of at the time that our government took over. I believe he had actually planned to be leaving about the third week in October and he kindly agreed to remain in that position for some three weeks to help me with the move into Ministerial responsibility in that department. I thank him for that and I commend him for his service to the government over the previous several years.

I would also like to point out, Mr. Chairman, that I count myself to be very fortunate in having had a gentleman in the office serving as a policy adviser to the previous minister, a gentleman by the name of Mr. Roper whom I was able to appoint as Acting Deputy Minister of the department and he has provided invaluable service to this point and will continue to do so.

I also would like to acknowledge the work of my assistant Deputy Ministers, Mr. Bill Podolski with Administrative Services, Dr. Ian Haugh of the Mineral Resources Division, Dr. George Bowen with the Environmental Management Division, and Tom Weber with the Water Resources Division. These gentlemen have all performed rather difficult tasks in helping with the review of the departmental Estimates in a rather shortened period of time. I believe we'll all realize there has been a lot of activity telescoped into a fairly short span of time since we assumed the role of government and I'm sure that that has been a difficult time for those gentlemen, difficult circumstances under which to work.

I would also express my thanks and admiration to the civil servants working within the department whom I realize are going through a difficult period of time as we shift from the direction provided by one government to the direction provided by another.

Mr. Chairman, just in general terms, before I go into some detail with the Estimates, I would like to point out that I believe there are three particular influences that are reflected in the Estimates as we will be presenting them. First of all, there is a philosophical difference between this government and the previous administration. I think that that difference will be reflected principally in the Mineral Resources Division of the Department where we have moved to get out of direct involvement in sites, specific exploration by the government. I believe that you will recognize that there are some new priorities reflected in the Estimates of the department in that within the Water Resources Division of the Department, we will see that there are some slight increases in money available for drainage maintenance and reconstruction and that throughout the three divisions of the department, all three divisions will reflect the restraint program of our government.

Now, if I could go into some little detail to point out some of the highlights that should be evident in the Estimates, Mr. Chairman. The Estimates Book shows a decrease in total departmental funding of 11.3 percent from 1977-78 to 1978-79, from \$29,999,500 in 1977-78 to \$26,612,800 in 1978-79. These figures include both the current expenditures plus the provision for acquisition and construction of physical assets.

The staffing for the department has also shown a decrease. Staffing in 1977-78 amounted to 791.38 staff man years. In 1978-79, this has been reduced to 756.38 staff man years or a decrease of 35 staff man years. Of these 35 staff man years, 4 term staff man years reflect completion of the Souris River Basin Study. The other 31 SMYs relate to a restraint program carried out by the department. Twenty-four were vacant, permanent SMYs deleted; 4 were vacant term SMYs and 3 were filled permanent SMYs and required layoffs. In addition to the above, there are approximately 33 positions which will be deferred in terms of recruitment for varying periods of time in 1978-79. There were a number of contract employees whose contracts have not been renewed for 1978-79.

The Administration Division shows a minor increase of 1.4 percent from 1977-78; Movement and Expenditure from \$1,071,300 in 1977-78 to \$1,085,800 in 1978-79. This division provides for the funding of the Executive Administration, the Administrative Services Division, the Clean Environment Commission and the Manitoba Water Commission grant support to the Natural Resources Institute at the University of Manitoba.

The Environmental Management Division shows a decrease of 6 percent in spending from 1978-79, from \$4,272,900 in 1977-78, to \$4,017,100 in 1978-79. A substantial reduction was made in the administration area in this division consisting of eight staff man years and \$119,000.00. The majority of this decrease arose as a consequence of an extensive review of clerical and typing support in this area resulting in a decrease of seven staff man years and \$65,200.00. The other decrease came as a result of reducing substantially the Information Services Program, one staff man year and \$53,800.00.

Environmental Control Branch shows a variety of reductions as a result of the restraint program, ranging from reducing computer usage, postponing equipment replacement, cutbacks in travel, to the deletion of three staff man years, and 113,000 in the Inspection Services Area, as well as one staff man year and 41,800 in the Air Pollution Section. All above staff man years were vacant.

Aside from these reductions an additional amount of 33,500 has been added to the Meat Inspection Program in anticipation of an increased payment to the Federal Government, which provides the inspection service to the province on a fee-for-service basis.

The Research and Development Branch also shows a substantial reduction as a result of the restraint program. Aside from minor reductions, such as travel curtailment, certain provisions for research studies have been deleted — the most notable being the contingency for research in the amount of 18,900. Two vacant staff man years have also been deleted.

In the Program Development and Review Branch the most notable change has been the deletion of a position and funds totalling \$25,800 for the Environmental Assessment Review Process.

The Mineral Resources Division shows a decrease of 16.6 percent from 1978-1979. Expenditures budgeted in 1977-1978 were \$4,745,400 and this decreased to \$3,958,700 in 1978-1979. The decrease reflects the government's intention to move out of direct involvement in exploration. The decrease is

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reflected in all areas which provided support to this function, but is especially noticeable in the following areas: Petroleum — removal of funds for oil exploration in the amount of \$240,000.00.

Mineral Evaluation — 1 SMY and \$82,600 in moving out of direct involvement in direct exploration. This position was vacant.

Geological Services — reduction of two staff man years and \$52,300 due to (a) a chemist not required as a result of decrease in exploration activities, and (b) project completion.

Mineral Sub-agreement — 4 staff man years, \$565,500, largely reflecting the de-emphasis of involvement in direct exploration, particularly in Sites Specific Activities. It was in this area that a layoff of three persons was required. In addition to the above staff man year deletions there were considerable contract employees who are not being renewed, whose contracts are not being renewed in 1978-1979.

The Water Resources Division shows a decrease of 8.9 percent in Appropriation No. 12. 4. from \$12,285,600 in 1977-1978 to \$11,186,200 in 1978-1979. That is an increase. . .

**MR. CHAIRMAN:** I would like to remind the Minister that he has spoken ten minutes of his allotted time, and in accordance with Rule 19, Section 2, I am interrupting the proceedings for Private Member's Hour and will return at the call of the Chair.

### **PRIVATE MEMBERS' HOUR**

**MR. SPEAKER:** Private Members' Hour. I would like to deal with public bills first. Bill No. 6, The Freedom of Information Act.

### **SECOND READING**

#### **BILL NO. 6, THE FREEDOM OF INFORMATION ACT**

**MR. AXWORTHY** presented Bill No. 6, The Freedom of Information Act, for second reading.

**MOTION:** presented.

**MR. SPEAKER:** The Honourable Member for Fort Rouge.

**MR. AXWORTHY:** Mr. Speaker, as members have already commented, this bill comes as no great surprise to members of the House who have been here on previous occasions. I would almost say that it would be, at least I feel in some ways, almost becoming part of the traditions of the House, that at least once a year we bring in a discussion about freedom of information bills. I do so for more serious purposes than that. I happen to believe that as time progresses and as evidence piles up, the need for such a bill becomes ever more apparent.

Just to recall some of the past discussions in history that we have had, the idea of the Freedom of Information Act is not one that only this House itself has dealt with. In fact I would say that probably compared now to most other Legislative Assemblies in the country and other Legislative Chambers in the Commonwealth we are substantially behind the progress in the direction that it is being made.

Just to give one example, there is now a Freedom of Information Bill enacted in the Province of Nova Scotia. Then in the Federal House of Commons their Freedom of Information Act has gone through Second Reading in principle and has now been referred to Committee for further study and examination. In the Legislature of British Columbia I think it has also gone to a Legislative Committee for review, and the Ontario Legislature has also had bills brought in by members that have been under examination now for some period of time.

Unfortunately, Mr. Speaker, this particular measure has never got beyond the stage of discussion on Second Reading, has therefore never had the opportunity to have been brought forward for longer-range examination, for public representation or viewpoint, and it is to that basic purpose that I address my basic appeal this afternoon.

As I have stated in the past the specific aspects of this bill, the particular techniques of it, includes, while I consider them to be the best that I can buy, they are not necessarily the only way to achieve the objective, and I am much more interested, frankly, in having the principle accepted and then have the opportunity through Committee of this House to examine alternative means of achieving the same kind of ambition, the same kind of objective. It is to that particular issue that I would address the members, that the idea of a Freedom of Information Act is one that has merit and that that should be what is debated. The techniques or methods themselves are really a second dimension of debate and one that I would certainly be glad to hear. So I am not standing obdurate and fixed on the questions of the absolute methods, but more interested in having a statute in the books of this Legislature that would supply a greater degree of access to information than we presently have.

Now, Mr. Speaker, that of course raises the point — is it needed? And members of this House in the past have argued that under the conventional and traditional parliamentary system you have all the

guarantees that you need. I take issue with that, Mr. Speaker. I take issue both in theory and in practice. If you look at the changes that have taken place in modern government over the past several decades, you realize that the size and complexity of modern-day government involves departments and Crown agencies, other organizations of government, in a vast amount of activities, hundreds of decisions, and obviously copious tons of paper on individuals, on different functions, on a whole range of things that government now influences and affects.

It is oftentimes impossible for any one Minister, as omniscient as many of them like to believe they are, to be fully cognizant or aware of all things taking place within a department, or of all measures that the department in fact may be introducing. It is only in many cases the individual private citizen who is directly affected by those decisions or by those activities, who knows when something is of importance and redounds upon their particular way of life. The old theory about government that only those that sort of wear the shoes know when they are too tight, it may be that there are all kinds of actions taken by government to which individuals are aware that there may be problems or difficulties, the means of recourse they find difficult.

Now the second step is, why do they not come to their members? Many do. There are certainly many references, all of us through our constituencies receive appeals, requests, by private citizens, by voters to bring issues up in the Legislature, to raise the matters as they may wish. However, the reality of it is that many people, unfortunately, either are not aware that is an avenue that is open to them. In some cases it may be that their members themselves are not available to them. But the practice of it is that that avenue of recourse, that access to the appeal through this Legislature, is often-times not exercised either by the individuals themselves feeling reluctant to do it. Maybe there are partisan reasons for them not doing it. Whatever it may be, there are many kinds of initiatives which are not taken. And, Mr. Speaker, let's say that even when they are, when members of the House may be asked for certain pieces of information, that information can be refused and has been refused.

We have gone through an example in this House just a week ago with the Task Force Report on re-organization, where a number of background documents and papers, studies, were prepared of obviously some importance to the conclusions drawn in that report. It was not a particularly extensive report. It was not a report that carried with it any kind of documented evidence, didn't carry with it the kind of normal turgid appendices that usually accompany it to at least justify its findings.

Therefore, the difficulty that many private agencies find themselves in, many organizations which are going to be influenced by those re-organization proposals, are a little bit in the dark as to why such conclusions were reached. You ask people in the schools which have very major recommendations on the role of school boards, "Were you consulted?" They said, "No." We said, "Why did they reach their conclusion?" They don't know. When requests were made in this House for the information, the answer was given that it would not be supplied.

Now that is probably a major example on a major policy area, but there are certainly many incidences of much smaller more detailed kinds of activities which influence individuals in their own daily lives that are also of importance.

A prime example, Mr. Speaker, that comes to mind is cases that people brought to my attention before bodies such as the Labour Relations Board, or before the Workmen's Compensation Board, where certain information on the internal conclusions reached by the members of the Workmen's Compensation Board as to medical evidence concerning a worker was not supplied and therefore the worker received a decision for which he knew not why. He didn't know what was the substantiating evidence to dismiss his appeal.

The same is true actually, Mr. Speaker, when you think about it with the Manitoba Human Rights Commission. It is almost an irony that the Manitoba Human Rights Commission holds closed hearings on human rights. So someone is always on the judge to be a bigot or discriminate and yet it is done in a closed hearing. It is anomalous and strange that that is the case, but it takes place in this province. This can be a very damaging incidence. Let's take the side of the devil in a sense, that a landlord is accused of racial discrimination in the supply of housing. Someone makes that appeal, the Human Rights Commission considers that case in closed-camera circles. They may decide that the landlord, in fact, did engage in racial discrimination — that is a very serious charge. The landlord has no ability or right to know what was the evidence brought before him, what was the basis for the conclusion.

You know, it suggests to me, Mr. Speaker, that that is a pretty obvious example among many others where the individual is being harmed, or at least a decision being made that would be harmful to him without having access to the evidence.

Other kinds of uses or reasons for a freedom of information bill would be in a simple area of maybe correcting old abuses — things that happened in the past.

I just recall reading a book review this weekend on the famous Alger Hiss case down in the United States. Some of the older members of the House may remember it — at one time it being a *cause celebre* where there was major disputes in the United States during the McCarthy period about some State Department employee named Alger Hiss who claimed he was wrongfully accused of being a communist, and all kinds of fuss was raised about it. Just recently the definitive work explaining and going through that case was brought forward some almost thirty years later, and the only reason it was believed that that kind of definitive examination was possible was that under the Freedom of Information Bill in the United States this particular researcher was able to go back and get something like 40,000 different items of records — spent three years going over them, looked at the case and came out with his conclusions based upon that detailed research.

Now that is not the kind of information that is normally the form of transmission that goes on in this House. It's not the Legislature which normally deals in getting that kind of copious documentation that would be available, but to the individuals involved in that particular Alger Hiss case the ability to clear his name' to come to the real truth of the matter, were very important. It was only under a Freedom of Information Bill in that particular country that such information was made available and while it may not be germane to the great events of our day, to the people involved it was of some real importance and it has cleared up one of the historical cases of injustices that were perpetrated some thirty years ago.

So for those kinds of reasons, Mr. Speaker, I would suggest that there are instances and examples where governments, both deliberately and sometimes inadvertently contain and confine information that would be better made in the public purview. It would be better made in the case of individuals who want to clear their name, find out why decisions were made, or whatever their motive may be.

And I would simply say that without obviating or down-playing the role played by the Legislative Assembly, or down-playing the role played by the polical representative system, that this would be an added feature, a further enhancement of that particular quality of democratic government which is the openness of government and the availability of access — not only to the decisions that are made, but some of the rationales and reasons why they are made. It is simply a supplement or a complement to the touchstone or the foundation which is the representative system but it needs further strengthening and, Mr. Speaker, we have recognized that time and time again. How many times in this House, going back to the early 1960's, I believe, perhaps earlier, were resolutions brought forward and rejected year after year for an ombudsman, and yet finally after a period of about ten years the ombudsman office was brought into the Province of Manitoba and has served a useful role. It took about ten or twelve years and a variety of resolutions from the opposition at that time till finally it was brought in in the early 1970s. And I think we could say, on total net account, that it's been a useful addition to the institutions of government in the Province of Manitoba.

Similarly how many times have we made claims for the role of Auditor-Generals to provide for better financial accounting, and there were times, as I've read the debates in the past, where it was considered to be that the Auditor-General was going to infringe the rights of the House, and all other kinds of reasons, and again it took many many years of resolutions and prodding and poking through private members' resolutions to bring that about. Now we have it and again we would conclude that it is probably a good thing to have, that it does add to the ability of this House to make better decisions.

So, Mr. Speaker, I would simply say that the idea of a Freedom of Information Statute is that kind of supportive mechanism that would enable this House to transgress its own business and its own abilities better than it does now.

Some of the questions involved, Mr. Speaker, under the Bill itself, is the question of judicial review. In effect, under this Bill, if an individual makes a request for information and is refused that information, then they have recourse under this Bill to the courts, to the County Court, to show cause why such information be supplied. Well, the reason for that, Mr. Speaker, is that I felt that in introducing the Bill there should be some adjudicator of the issue — some person or persons, tribunal, who would be able to make the judgment on the legitimacy of the case as put forward by the individual in request for the information, giving the government officials, Ministers, whoever it may be, the right to claim that there are good reasons and to show good cause why it should not be proclaimed, as they now may do when they . . . but they don't do that, of course, here. They just say, "We're not giving it to you. That's it. Forget it." At least then they would have to show it.

Now, the question is, is this sort of a usurpation of the case. I've heard in the past a member saying, "Oh, that's an American thing, you know, that's a congressional thing." Not so, Mr. Speaker' I took some interest in that argument last year and went back and did a little research and found a very interesting study done by the Canadian Bar Association by Professor Logg at the University of Victoria, which dealt with that case when, as only law professors can, in some 75 pages. It pointed out that there are many examples in the parliamentary system, including our own Canadian system, where the courts do exercise that very right. The Federal Court, for example, exercises that right.

And certainly because we have partly a written constitution under the B8NIA Act, it does exercise a degree of judicial review on the interpretation of those clauses. And so we have used the courts in the past. But let me make it very clear, Mr. Speaker, I am not sort of particularly hung up on that point. I just simply feel that it is one way of providing for that adjudication to take place. If there are other or better means of doing it then certainly I'm prepared to go along and accept them.

But that is why I think it is necessary to have the bill accepted in principle and then we can worry about the means later in Committee, and that is really why, Mr. Speaker, that I would not sort of say that it's got to be the exact wording or technique of that bill or nothing at all. That is one method of doing it that is being employed in the Australian system, they're using the courts under that system — it is a proposal put forward by Mr. Baldwin, the Progressive Conservative member of Parliament in the bill that he has introduced in the Federal House. It is the method proposed in the Ontario Legislature, but it is not necessarily the only method. There could be alternative ways of doing it, and I think it would be worthwhile for a Committee of this House to examine it.

So let me simply say, Mr. Speaker — I realize that time is short and there are many other things that I would like to say about it — maybe there would just be two points I would leave with. The government opposite in its Task Force report spent a great deal of emphasis, put a great deal of emphasis on the question of accountability, the right of government to be responsible, and the right to be able to share its accountability. You know, I agree with that thesis — go along with those recommendations. I would simply say to members opposite on the government side that the best way

to ensure accountability is to ensure the people have in the first instance the information, so that they can ask the right questions. If you don't have the information you don't know what's being done in the first place, and that the first step to proper accountability is the right to know — that is the fundamental right — a democratic system will not work without that right to know. I would simply say that in the stage of modern government, and, in fact, Mr. Speaker, I would only say perhaps finally, it seems, at least, that the First Minister of the Government acknowledged that particular right when, during the election campaign, he did indicate that a Freedom of Information Bill may, in fact, be necessary and that he would consider such a measure.

Well, Mr. Speaker, I would hope that members opposite would follow the leadership of their leader and consider such a measure and that this particular bill would provide them with the rationale and means of doing so if we can accept it, in principle we can bring it forward for debate. We can ask for representations from the legal fraternity, by private citizens, and then through that particular form of consultation with the public we'll be able to come to maybe what is a proper bill and bring us a further addition to the instruments of democracy to ensure that accountability, accessibility, and the right to know are fully protected in our province.

**MR. SPEAKER:** The Honourable Member for Wellington.

**MR. BRIAN CORRIN:** Mr. Speaker, I am pleased to have been given the opportunity to second the member's bill that is before us for discussion at this time. As the Member for Fort Rouge is aware I have had an interest, a supportive interest in this particular subject matter for some time. This particular issue, the substance of this particular issue, came to my attention first when I sat as a Winnipeg City Councillor and was continually forced to confront situations where I was unable to gain access to information, and I, of course, sat on that body as a city councillor and supposedly I was privy to information that other members of the public would not be, but I found through harsh and brutal experience that that was not the case. I soon began to empathize, empathize most deeply with those members of the public who felt that there was a need to open up the doors and windows of public bodies in order that closer scrutiny could be had, closer observation could be had to matters of public record.

I note that I was particularly pleased in this regard when, after protestations and all sorts of requests and demands and so on to the Taraska Commission, that Judge Taraska did in fact, did indeed recommend wider disclosure of information at the civic level. He noted that with the exception of cases involving personnel matters and land purchases, he and the other members of the Commission could see no reason whatsoever for matters to be privileged and withheld from the public.

I might say that the whole thing came to a semi-humorous, almost comic conclusion, just immediately after the following of the last civic election when the mayor, somewhat misguided perhaps as to his previous authority, was of the impression that he had acquired ownership to city files dating back to the year approximately 1900, and there was a great deal of controversy and discussion at this time about the ownership of public information and where, in fact, that right is finally and absolutely vested. I would say that those sorts of circumstances highlight the need, I think most certainly highlight the need for this type of information.

It's tragic that in a free and democratic society that there should be any question as to who owns public information — whether a proprietary interest might actually indeed vest, either in an individual politician or in a person entitled or vested with certain authority as a result of the public position.

So I say, Sir, that I'm perfectly secure in suggesting to this House that I am 100 percent supportive of the concept behind Bill No. 6. Like the Member for Fort Rouge, I cannot say with any degree of confidence that I am sure that I am secure in the knowledge that the particular provisions in this Bill are indeed the most efficacious. I am not sure that they represent the highest degree of sophistication and effectiveness with respect to this type of concept. But I might say, Sir, and I indeed will say that I am perfectly supportive of the concept itself. With respect to the substance, I have no question, I am going to support it and I am looking forward, as a matter of fact, to this Bill going on, and going on before the Law Amendments Committee in order that other interested members of the public can share with us their opinions respecting this particular idea — this particular concept.

As the former member in his address related, I am aware that such diverse bodies as the Canadian Bar Association and the Canadian Manufacturers' Association have endorsed the concept of freedom of information.

I was delighted, as a matter of fact, to find that there was in fact and indeed such a wide representation from the public of support. And I might say to the Honourable Minister of Highways, who is speaking and addressing the Assembly from his seat, that I can assure him that members of his party in Ottawa have indeed addressed themselves to this pressing question and have put a Private Members' Bill before that august House I believe in the year 1975. And I might also relate to other members of this Assembly — perhaps ones who have aspirations in that direction — I might advise them that their efforts (the efforts of Progressive Conservatives in Ottawa) have indeed been stonewalled.

So it would appear that there is certainly a very catholic disposition within party ranks as to the content of this particular legislation.

I should note, I think, also an ironic turn that Mr. John Turner, a former Minister of Justice, a former Finance Minister and notable personage in public affairs in this country, has in fact endorsed the concept of freedom of information. He has done so on several occasions. I think the last time I can

recollect was in Winnipeg at the Annual Convention of the Canadian Bar Association.

I'll tell you why I find it ironic, Mr. Speaker, I find it ironic because this is the same John Turner who brought to all Canadians another secrecy law, a law designed to countervail, to in effect prevent members of the public from gaining access to public information. The secrecy law I am referring to is the Federal Court Act, that was in fact brought before the Federal House by the Minister in 1969 when he was then Justice Minister. And at that time passage was indeed given and it was proclaimed and this is the same Act that has become notorious of late because it's the one that the infamous Mr. Francis Fox invoked in order to stonewall the Cable Commission, and the Laycraft inquiry into RCMP activities.

It strikes me as being somewhat ironic that those who at one time, or the same party that at one time supports this — members of the same party turn around and are supportive of the freedom of information concept. I can say that we can be delighted to know that Canada is again in very austere, very august company when it comes to secrecy law. Two other countries apparently have similar legislation to Section 41 of the Federal Courts Act, and those I am delighted to recount are South Africa and India, both of which have been described as being police states in recent years. So if members of this Assembly, Sir, do in fact have recourse to the rarefied atmosphere attendant upon the capitol in Ottawa in that particular Assembly, I would ask, and as a matter of fact, quite frankly, I am confident that they will do all in their power to bring about immediate change and rectification with respect to the federal approach to secrecy laws and freedom of information laws.

In this respect one need look no further than the recent debacle of the RCMP. I find it, again, somewhat comic to have to relate and be able to relate that this government has such an odd standard, wishes to apply such strange standards, when approaching this course of conduct and this question. At the same time that the government wants access to our information, they are wholly supportive of a Bill presently standing on the order paper in the House of Commons in Ottawa, giving the Solicitor-General power to intercept our mail, they refuse to give passage to Mr. Baldwin's private member's Bill that would give all members of the public access to their information. I think this is, in fact, dereliction of their responsibility. I think it is a sort of moral bankruptcy, moral turpitude — that's the only way one can describe it — a government that wants access to everyone else's information but won't give anybody else access to theirs. They don't seem to be familiar with the concept of accountability as it applies to them as a public democratically instituted body, or constituted body, but rather the reverse would seem to hold true.

So I say, Sir, if there is indeed a need for freedom of information in this country for that sort of legislation, perhaps it is the Federal government that should clean up its house first. I might also say that very recently I was pleased, when hearing on the national news an address given by the Premier of New Brunswick, Mr. Hatfield, relating that he would very shortly be bringing before that House a freedom of information bill that I believe would be very similar in concept to the one introduced by the member this afternoon.

There is very obviously a need, this need seems to be endorsed by members of various parties. I know that members of my party in Ontario are supportive of the efforts of certain members there to bring before that House a freedom of information law. I believe the same would apply to federal members of my party with respect to Mr. Baldwin's legislation, proposed legislation, so I say, Sir, that I do in fact wish to express for the record my endorsement of this concept. I believe that as a public representative it is my responsibility to do whatever I can to give members of the public greater and more access to all information that may in fact be vital to the affairs of government. I don't think that it is proper for any member of government to take a position that would withhold such information from the public. I think that is somewhat irresponsible. I know that there are compelling arguments, I won't go into them, but I know that certain people across the country do make compelling arguments against this particular legislation. I feel, Sir, that they are indeed misguided, I do feel that those particular arguments are without any substance and should not be heeded.

So, Sir, I suggest that it's time that we put aside this obsession with secrecy, open the doors, open the windows, give full access to all information and really make this government as accountable as it can be to the people it purports to represent. And I say that, Sir, in a particularly heartfelt way in the knowledge that very soon I, along with the Member for St. Boniface and others, will be debating the question of accessibility to Task Force reports, and I know that we feel very strongly, very strongly indeed, Sir, that those reports should be divulged in order that the information that was discovered by the Task Force Review Committees can be reviewed, assessed and analyzed by members of this House, in order that we can indeed establish whether or not any credibility, any credence should be given to the recommendations made in that report.

So, Sir, I do endorse the concept of freedom of information and I stand firmly against any attempts to withhold that information from the public. Thank you.

**MR. SPEAKER:** The Honourable Member for Gladstone.

**MR. JAMES R. FERGUSON:** Mr. Speaker, I beg to move, seconded by the Honourable Member for Roblin, that debate be adjourned.

**MOTION presented and carried.**

**MR. SPEAKER:** I might point out that the Order for Return standing in the name of the Member for

St. Boniface, according to our Rules should be proceeded with on Wednesdays, under Section 49.(1) of our Rules.

**MR. GREEN:** I wonder if I may speak to that question just before you come to a conclusion so you can have whatever advice we can give you on it.

I am suggesting, Mr. Speaker, that as I read the Rules as they have been shown to me by the Clerk and I don't have them in front of me, but nevertheless I can recall them, that where an Order for Return is refused it is to be adjourned for debate to the first day on which Orders for Return have precedence, that means it is moved to debate for that day. Once it gets on Order Paper for Wednesday it is debated on any day following that Wednesday where Private Member's matters comes up and it falls into the order of precedence. I think that the Rule that you are looking at merely means that that is the first day on which it appears, but following it appearing on that day, it would appear on Thursday, Friday, and every day on which Private Member's material comes up, because that is what the section on Private Member's material says, Sir. Thursday — Public Bills, Private Bills, Private Members' Resolutions, Orders for Return. So that it is not restricted to Wednesday, but I think that the first time that it comes up has to be the Wednesday following the date on which it has been adjourned to. That is my understanding of the Rule. I don't even think that we thought about it at the time, but the way it reads I would say that that's the way it should be interpreted.

**MR. SPEAKER:** The Government House Leader.

**MR. JORGENSEN:** I was hoping that you would have simply called the order of business as it appears on the Order Paper, because I intended to raise that same point of order, and I agree with the Member for Inkster — well, I won't repeat what he had to say. I just simply agree with the point that he has made, that the first occasion on which this Order would appear would be on a Wednesday. I think that the rule is quite clear in that respect and so that particular motion could not come up for debate until tomorrow, if it were to come up tomorrow, but any subsequent Wednesday after that.

**MR. SPEAKER:** The Honourable House Leader of the Opposition.

**MR. GREEN:** Mr. Speaker, just up until the last phrase that the honourable member said — I believe that the first time it comes up on Wednesday. I wonder if the honourable member would just, so that we get straight what was said. The first time it would come up would be on the Wednesday to which it has been adjourned, but it comes up following that every Private Member's day, it comes up on Thursday, on Friday, Monday, Tuesday, Wednesday. I thought you said every subsequent Wednesday.

**MR. JORGENSEN:** The point that I was attempting to make was that it is not likely that it will come up tomorrow because we will be in the midst of the Budget Debate and the Budget takes precedence over Private Member's hours. But other than that I agree with the position taken by the Honourable House Leader of the Opposition, and so therefore the Motion would not be eligible for debate today.

**MR. SPEAKER:** Then I am correct in assuming that the Order for Return which is on the Order Paper at the present time should in fact not be there.

**MR. JORGENSEN:** No, no, that's not right, Sir. It is perfectly legitimate, but let me read you the Rule, and the Rule simply says, "Where a debate arises on a motion for an Order for Return or Address for Papers, the motion shall be transferred by the Clerk to the items of Orders for Return and Address for Papers on the subsequent Order Papers for debate" — and this is the key sentence — "at the next sitting at which Orders for Return and Addresses for Papers take precedence." That first occasion would have been tomorrow, but since we will be in the midst of the Budget Debate it will have to be postponed until the next convenient occasion, or the next occasion on which it can come up. —(Interjection)— Well, there is a possibility if the debate is adjourned by 4:30.

May I suggest, Mr. Speaker, that we return to Committee of Supply and perhaps the Minister of Mines and Resources may want to continue with the remarks he was making when the House was interrupted.

**MR. SPEAKER:** It has been suggested that we return to Committee of Supply. (Agreed)

### SUPPLY—AGRICULTURE (cont'd)

**MR. CHAIRMAN:** 7.(b)(1), Marketing Board Salaries, \$124,000 — The Honourable Member for Ste. Rose.

**MR. A.R. (Pete) ADAM:** Thank you very much, Mr. Chairman. Perhaps we should discuss the taking out of the beef from The Natural Products Marketing Act. I believe, Mr. Chairman, that at the present time every province in Canada now has beef under The Natural Products Marketing Act and I believe the reason for that is that in the event any commodity group wanted to go to the Federal Government to set up a national agency, that this legislation is to complement and to allow them to do that,

otherwise they would not be able to proceed. That is the reason for this legislation and I think it's a sad day when we see . . . What would happen then if a group went to the Federal Government requesting to set up a national marketing agency, we would have to then call the Legislature back into session and pass enabling legislation to allow the province or that commodity group to participate in a national marketing agency. And I think it's a sad day when the Minister feels it's necessary to remove some of the options or some of the freedoms that the producers now have under this legislation, they have the option, they have the option, it's there, they don't have to use it if they don't want to but if some day in the future they decide that they want to use this type of legislation, it's there available for them and I think it's sad that the Minister will remove that freedom, particularly from a government that sets itself up as being the pillar of freedom for all individuals.

We get confused on this side when we hear members of the Opposition condemn the vote that was taken on the referendum as to whether individual producers in this province wanted to enter into a beef checkoff. And here we have members saying, you know, you shouldn't have had a vote — don't have a vote — to heck with democracy, let's not have democracy and let's not have freedom. So you know, we get very confused when we hear people who stand up and say one thing and then reverse themselves on another situation. And I think that the Minister, particularly on the beef checkoff, I think he's running scared. He is running scared on this issue because he knows it was turned down in 1974. Now, I have never been able to figure out why he would fly right into the face of such opposition. I finally found out what it was all about, and I found a little article here in one of the papers, I don't remember which one it was, but the heading goes "Downey named beef grower of the year." It says: Jim Downey, Manitoba Minister of Agriculture, has been chosen this year's beef grower of the year. The award is sponsored by the Manitoba Beef Growers' Association and was presented to him at their annual meeting in Brandon. The award is presented to a person who has combined contributions not just to the cattle industry but to agriculture as a whole said Vice-President Tom Ellison of Selkirk — Now there's a good democratic producer.

The Board of Directors of MBGA felt Downey, a successful cattleman and a long-time director of the Association, has made a considerable contribution by winning his constituency election — that's a big, big contribution to the beef industry by him winning his election, of course — and then becoming, on top of that, Minister of Agriculture, Ellison said.

Now we know why this Minister is obligated and is committed to setting up an organization which will replace the Manitoba Beef Growers. It will be the same people under a different name, a different organization, and we know that it will eventually cost the people of this . . . It will be the checkoff and the Member for Dauphin mentioned, "Well, it's voluntary." Well, I say that it isn't voluntary, it's not voluntary in that the packers will be compelled to take money off a shipper's cheque, and that is compulsory there, that's one aspect of compulsory. And the fact that a shipper of livestock gets a cheque with some money taken off without his permission, is compulsory, and I think that here is a classic case that could be challenged in a court of law, and there very likely will be class action taken on that very matter. There will no doubt be court action taken on that because we will have to find out whether the courts decide whether taking money off a cheque without the permission of the shipper is compulsory or not. We will let the court decide. I believe that you might be in for quite a surprise.

The Member for Dauphin should be also aware that there are some of his strong supporters who voted for him, and I'm sure were instrumental — (Interjection) — Well, you just keep quiet a little bit, or put your name on the list. People who were instrumental in electing the Member for Dauphin are very disenchanted at this particular moment and you know, if I told him who they were he'd be quite upset because I know they worked very hard to elect him, and they are now referring to this government as a dictatorship. So I say to these backbenchers there, they had better be careful because they'll be in trouble themselves.

I believe that the Member for Emerson, in order to help his Minister of Agriculture here, mentioned that is it not a fact that the cow-calf operators are also supporting this checkoff? Well, I want to tell him that the cow-calf operators in my area are very much opposed.

**A MEMBER:** How many?

**MR. ADAM:** Well, there are more there than anywhere else in Manitoba. Let's find out — let's find out — (Interjection) — All right, he wants to talk, Mr. Chairman, let's find out, let's get it on a vote. Let's find out how many there are — here you are, here's your chance. The Member for Emerson has said he wants to know how many in my area are opposed to this checkoff and I say to you, Sir, if you are in support of democracy and want to know the opinions of the people, put it to a vote. I challenge you. But I say you're running scared, you don't want to do it, because you know that it would be defeated.

**MR. CHAIRMAN:** The Honourable Member for Lac du Bonnet.

**MR. ADAM:** No, Sir, I'm not finished yet. I'm just starting, sorry. The Minister — you know, I agree that perhaps he's . . . It is his first term in office and he believes . . .

**MR. USKIW:** His last one, not his first one.

**MR. ADAM:** Well, it's probably his last one too, Mr. Chairman. But he believes that he is going to pass legislation now and it's going to be for all time. He is going to pass his legislation because he fears . . . He knows he's going to be defeated, Mr. Chairman, he knows he's going to be defeated in

the next election, and he is afraid that if he doesn't pass that legislation taking the beef out of The Natural Products Marketing Act, that somehow there's going to be something happening there.

Well, the legislation has been on the books for many years. It was introduced by this government and nothing dangerous happened, it was there to accommodate the producers, but you don't want to give them that option, do you? You do not —(Interjection)— Forty-nine? 1949? Well, is that long enough? It's not long enough? So what happened? What dangerous things happened? Nothing. It is there to accommodate the freedom of producers, if they want to use that kind of legislation. You will prevent them from doing that, you will restrict that, you will restrict their options. You will pass this legislation, you will make it compulsory on the packers and even . . . We don't know the answers but I suppose we'll know when you introduce the legislation, Mr. Chairman, but we do not know whether if I want to sell a head of livestock to the Member for St. George or the Member for Dauphin, whether I will have to send twenty-five cents in to the Minister of Agriculture or whoever is receiving this money. I would like to know just how this is going to be done. It says here that, and I read this big write-up here of the beef producers . . .

By the way, we find out that the newly-appointed president of the cow-calf producers is none other than Peter Friesen; I'm sure you know who Peter Friesen is. He's a fellow who lives down in Emerson someplace and who has about three head of cattle. He has about three head of cattle, and he is the head of the cow-calf operators. We met him in Ashern about two or three years ago and he had at that time I think about three head of cattle, and he was trying to set himself up as the spokesman for the industry at that time. And I say to you, Sir, that this kind of legislation is against the human rights, it's against the human rights of individuals, and it's taxation without representation. It's compulsory confiscation of the livestock producers' money, without his —(Interjection)— I'm talking here about what's in the Throne Speech and what we're debating right now.

But anyway, Mr. Chairman, I have listened to this Minister now for three or four days and you know the Member for St. George says that he has made the entire circle, and I say that he has been speaking out of both sides of his mouth. We have heard him say that . . . For the last eight years we have been listening how bad marketing boards are and now we see this Minister in full support of them, and also going so far as to establish a broiler marketing agency which will be national, and I say that you know speaking out of both sides of your mouth is just like the oldest profession, you work both sides of the street, and that's what this Minister has been doing.

**MR. CHAIRMAN:** (b)(1)—pass — the Honourable Member for Lac du Bonnet.

**MR. USKIW:** Mr. Chairman, I think that it's very obvious why —

**MR. CHAIRMAN:** Before the honourable member starts, the hour of 5:30 having arisen, the Committee arise.

### SUPPLY — MINES AND RESOURCES (Cont'd)

**MR. CHAIRMAN:** The Honourable Minister of Mines and Natural Resources.

**MR. RANSOM:** Thank you, Mr. Chairman. It will only take me approximately two minutes to complete my introductory remarks.

The Water Resources Division shows a decrease of 8.9 percent in appropriation 12.(4) from \$12,285,600 in 1977-78 to \$11,186,200 in 1978-79, but has an increase of \$1,500,000 over 1977-1978 in 12.(5) for reconstruction and bridge replacements, as well as an amount of \$1,260,000 for land drainage and maintenance, which is an identical amount to 1977-78. The end result is that maintenance activity is increased by \$536,200 over 1977-1978 and reconstruction is approximately at last year's level, plus there is an additional \$500,000 for bridge replacement.

The Planning Branch shows a decrease primarily because of non-recurring costs associated with the completion of the Souris River Basin study, four SMYs and \$216,600.00. This Branch also has deleted services of two other vacant positions, as well as the freezing of recruitment of 11 positions for varying periods in 1978-79.

The ARDA appropriation reflects funding and staffing required to complete the agreement within the remaining cost-sharing financial parameters. The agreement itself terminates December 31st, 1978, and efforts are presently being made to renegotiate a new agreement.

Manitoba Northlands Agreement reflects a lower level of service to the geo-technical land use study. Under

Under appropriation 12.5., there's a decrease of 16.5 percent in the Acquisition and Construction of Physical Assets. The major decrease is in the Mineral Resources Section in the amount of 46.8 percent from \$4,700,000 in 1977-78 to \$2,500,000 in 1978-79. Removal of funds in this area reflects the government's intention to phase out of direct departmental involvement in exploration.

The Water Resources Division shows the increase in this appropriation of 32.2 percent from \$2,924,300 in 1977-78 to \$3,865,000 in 1978-79. This latter figure includes items referred to earlier as well as such items as Pasquia Drainage, Vermilion River Dam and community water supplies for Gilbert Plains and Grandview.

**Mr. Chairman,** I believe that these few remarks will highlight some of the changes in my Departmental Estimates, and will draw the attention of the Honourable Members to those particular items.

Thank you.

**MR. JORGENSON:** Mr. Chairman, in view of the hour, I wonder if it would be agreeable to the Honourable Members that the Committee rise at this stage?

**MR. CHAIRMAN:** Committee rise. Call in the Speaker.

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

### IN SESSION

**MR. DEPUTY SPEAKER:** The Honourable Member for Radisson.

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

**MOTION presented and carried.**

**MR. DEPUTY SPEAKER:** The hour being 5:30, I am leaving the Chair now and the House will sit again at 8:00 p.m. this evening.