

LEGISLATIVE ASSEMBLY OF MANITOBA
Friday, 20 June, 1980

Time — 10:00 a.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): Presenting Petitions . . . Reading and Receiving Petitions . . .

**PRESENTING REPORTS BY STANDING
AND SPECIAL COMMITTEES**

MR. SPEAKER: The Honourable Member for Virden.

MR. MORRIS McGREGOR: Mr. Speaker, the Committee of Supply has considered certain resolutions and directs me to report progress and asks leave to sit again.

I move, seconded by the Honourable Member for Dauphin, that the Report of Committee be received.

MOTION presented and carried.

MR. SPEAKER: Ministerial Statements and Tabling of Reports . . . Notices of Motion . . .

INTRODUCTION OF BILLS

MR. SPEAKER: The Honourable Minister of Health.

HON. L.R. (Bud) SHERMAN (Fort Garry) introduced Bill No. 94, An Act to amend The Health Sciences Centre Act.

MOTION presented.

INTRODUCTION OF GUESTS

MR. SPEAKER: At this time, I would like to introduce to the honourable members 23 students of Grade 5 standing from St. Annes School, under the direction of Mr. Courcelles. This school is in the constituency of the Honourable Minister of Fitness and Amateur Sport.

We have 40 students of Grade 5 standing from the Romah School, under the direction of Mrs. Ashton and Mrs. Dyck. This school is in the constituency of the Honourable First Minister.

We have 30 students of Grade 5 standing from Forest Park Elementary School, under the direction of Mrs. Melnick. This school is in the constituency of the Honourable Member for Seven Oaks.

We have 20 students of Grade 6 standing from Pinkham School, under the direction of Mr. Sloan. This school is in the constituency of the Honourable Member for Loan.

On behalf of all honourable members, we welcome you here this morning.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. HOWARD PAWLEY (Selkirk): Mr. Speaker, my question is addressed to the First Minister. Can the First Minister confirm whether he has received information to the respect that the critical vote pertaining to the Garrison appropriation in fact has not taken place and will not take place until early next week in the US Senate.

MR. SPEAKER: The Honourable First Minister.

HON. STERLING R. LYON (Charleswood): Mr. Speaker, I do not have precise information on that question. The Minister of Resources should be in the House shortly and I'll put the question to him because he has had direct contact with the Ottawa authorities and others on this.

MR. PAWLEY: Mr. Speaker, then further, to the First Minister, in the event of the vote taking place early next week, and in view of the favorable approval given to the representations made by Terry Sargeant, the Member of Parliament for Selkirk-Interlake in Washington yesterday, such approval given by the External Affairs Minister MacGuigan, would the First Minister at this point consider any representation from the Manitoba Government or from this Chamber, directly to the US Senate, following along the lines of the representation sanctioned and welcomed by External Affairs?

MR. LYON: Mr. Speaker, the answer to that question is, and always has been, certainly we would consider that in conjunction with the Department of External Affairs. Discussions along those lines have been going on, and as and when we have advice from the Department of External Affairs that that kind of a representation would be helpful in the cause, then certainly there would be no hesitation on the part of the government to so act.

MR. PAWLEY: Mr. Speaker, then further to the First Minister, can the First Minister advise whether or not he has been in communication with External Affairs Minister MacGuigan in respect to such an event occurring from the province of Manitoba.

MR. LYON: Mr. Speaker, as we have indicated on a number of occasions, the government has been in touch with the Department of External Affairs continuously.

MR. SPEAKER: The Honourable Leader of the Opposition with a fourth question.

MR. PAWLEY: Mr. Speaker, I wonder if the Minister, in view of the fact it has been department to department, I assume public servant to public servant contact, would the First Minister agree to communicate directly with External Affairs Minister MacGuigan as to whether or not such representation would be useful to the efforts by Canada?

MR. LYON: Mr. Speaker, we will take all the appropriate steps that are necessary in the circumstances.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. JUNE WESTBURY: Thank you, Mr. Speaker. My question is addressed to the Minister of Health. I wonder if the Honourable Minister has yet received the communication from the Alcohol and Drug Education Service, to which I referred yesterday, and if he can now supply the information requested.

MR. SHERMAN: Yes, I have, Mr. Speaker. I received it late yesterday afternoon. It bears out the substance suggested in the honourable member's question yesterday, in which I concurred at the time. I have had considerable discussion and communication with the Alcohol and Drug Education Service, and notwithstanding the arrival of the letter yesterday, I am aware, Sir, that they are having financial difficulties.

MRS. WESTBURY: Mr. Speaker, I wonder if the Minister would inform the House whether he is going to be able to resolve their financial difficulties, with assistance from his department, before the anticipated closing date of June 25.

MR. SHERMAN: Mr. Speaker, we're certainly addressing it. We are concerned about it and we'll do whatever we can. I might say that that's been the position that this government and this particular Ministry has been in for the past two and one-half years. The Alcohol and Drug Education Service has not been included under the appropriation for external agencies funding as it has been developed and proposed by the Alcoholism Foundation of Manitoba since prior to the time that this government was elected in October 1977. There is a continuing discrepancy of opinion between ADS and AFM. We are hoping the two parties can resolve it. We are making another attempt at that, Sir.

MR. SPEAKER: The Honourable Member for Fort Rouge with a final supplementary.

MRS. WESTBURY: I thank the Minister for his answer.

I have a question on another matter to the Attorney-General, and this refers to his answer to my question of last Monday on the matter of juveniles under arrest and their right to bail. I wonder if the Minister could supply me and the staff at the Youth Centre with the names of the three limited jurisdiction magistrates who are on call, since that Youth Centre staff are not aware of these people.

MR. SPEAKER: The Honourable Attorney-General.

HON. GERALD W. J. MERCIER (Osborne): Yes, Mr. Speaker.

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

MR. SAUL CHERNIACK: Thank you, Mr. Speaker. I would like to ask the Minister for Consumer Affairs, who I understand has been approached by certain people concerned about pre-arranged funeral plans and the expected option to cancel the plans whether, as a result of such interviews, he has any proposed

changes in the legislation or the regulations affecting them.

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

HON. WARNER JORGENSON (Morris): I am not aware of any representation being made to me by that particular group. Perhaps my honourable friend is referring to the Embalmers and Funeral Directors Organization, who have approached me.

MR. CHERNIACK: Mr. Speaker, I, frankly, am not aware of which group it is, but if it had to do with the pre-arranged funeral services plan, is that one which the Minister is contemplating changing or do I have to get more information from my source in order to clarify it, which I am quite prepared to do, Mr. Speaker.

MR. JORGENSON: I would appreciate if my honourable friend could supply me with further information, because I have no knowledge of any representation made to me on that particular matter.

MR. CHERNIACK: Thank you, Mr. Speaker. I will inquire for the Minister and communicate with him again.

Mr. Speaker, I would like to ask the Minister of Labour, who on June 11th informed the House that he would be reviewing the Queen's Bench decision on mandatory retirement, whether he has any information to give us in that regard at this time?

MR. SPEAKER: The Honourable Minister of Labour.

HON. KENNETH MacMASTER (Thompson): Just to simply say, Mr. Speaker, that it is taking presently and will take in the future a great deal of consideration. It has some pretty dramatic ramifications, as I think the Member for St. Johns is aware, that particular decision.

MR. CHERNIACK: Thank you, Mr. Speaker. In view of the fact that the Minister recognizes the serious implications, and I fully agree with him, would he be prepared to consider the setting up of some sort of group, like a committee, to study it, or a commission, but to really deal with it in a way which would give us a fuller perspective as a legislative group, so that we can deal with this serious problem.

MR. MacMASTER: Mr. Speaker, I respectfully submit that I am dealing with it in a very serious vein right at the particular moment and I would prefer at this time to allow a lot of knowledgeable people employed within government to put together their views. I am prepared to share them with this House at the appropriate time.

MR. SPEAKER: The Honourable Member for St. Johns with another question.

MR. CHERNIACK: Yes, Mr. Speaker, would the Minister then clarify, is he prepared at the conclusion of his own department's study to open the question up to hear from the public and to hear from various invested interest groups in a public way.

MR. MACMASTER: I think, Mr. Speaker, the Member for St. Johns will have to kind of control his enthusiasm in what he is desiring at this particular moment until I have had more time to review the situation myself. I really don't know which way I personally as a Minister would like to go with it, but I can take his ideas under consideration.

MR. SPEAKER: The Honourable Member for St. Johns with another question.

MR. CHERNIACK: I guess, Mr. Speaker, the difference in our ages would indicate how we approach enthusiastically the question of mandatory retirement and the urgency of it. Therefore, Mr. Speaker, I would like to ask the Honourable Attorney-General whether he can tell us what the results are of the review, which he indicated was being made by the Human Rights Commission in this regard, which he said he had asked to have done on June 11th.

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: Mr. Speaker, that review is not completed.

MR. CHERNIACK: Mr. Speaker, I would like to ask the Honourable Minister firstly, just what role the Human Rights Commission has in advising on a policy issue such as this, since he is not considering in a legal sense, and when he clarifies that would he also indicate whether they have some sort of a term of reference for this review?

MR. MERCIER: Yes they do, Mr. Speaker.

MR. SPEAKER: The Honourable Member for St. Johns with another question.

MR. CHERNIACK: Mr. Speaker, the Member for The Pas indicates it is like pulling teeth, and, of course, it is, the Minister can answer as he pleases, but I wonder if he could guess what my question is and answer it.

MR. MERCIER: Mr. Speaker, their terms of reference are the legislation under which they operate, which relate to and refer to discrimination or non-discrimination on the basis of age. Mr. Speaker, to clarify the position of my office, legal officers within my department are reviewing the recent decision in the Court of Queen's Bench, and concurrently the Human Rights Commission have been asked to review the decision and provide me with their comments on that decision, as well as a number of other matters related to the same topic that they have before them.

MR. CHERNIACK: Thank you, Mr. Speaker. In view of the fact that it is alleged that the Human Rights Commission has been seized of this particular problem in relation to a civil servant for about two years I believe, can the Minister explain the reason for the delay in dealing with that, if my information is correct?

MR. MERCIER: Mr. Speaker, the first reason is that the Human Rights Commission continued to

operate under the same policy as the previous Human Rights Commission under the previous government. That policy was changed and they accepted a matter that was brought to their attention. They have been reviewing that through their Human Rights Officers and the matter is presently before the commission itself for consideration.

MR. CHERNIACK: Mr. Speaker, I am wondering if the Honourable Minister could clarify why it is that it's a routine sort of investigation when a person's livelihood is at stake and his right to employment is being questioned and challenged, whether the Minister cannot indicate a deadline within which there ought to be a report made, since if they continue to study it for a indefinite period of time the problem may solve itself by that person becoming disinterested any further in continuing his employment.

MR. MERCIER: Mr. Speaker, that matter is on their agenda at the present time.

MR. SPEAKER: The Honourable Member for The Pas.

MR. RONALD McBRYDE: Mr. Speaker, I would like to ask a fairly detailed question of the Minister of Agriculture to get some clarification on his statements in regard to the use of the Saskeram area near The Pas for agriculture purposes. Mr. Speaker, there are two aspects to this problem. One is the emergency or short-term use of the Saskeram area, which even back in 1977 it was agreed that for emergency drought purposes the Saskeram area would be used for agriculture purposes, and there doesn't seem to be any strong objection from the community in that regard.

The other aspect is the long-term proposal to have the Saskeram area, which is now a wildlife area, go back to agricultural use. My question, Mr. Speaker, to the Minister, in light of his statement the other day that his government has now made a decision in terms of the long-term use, I wonder if he could indicate whether the government of Manitoba has decided, that aside from the critical drought situation, the Saskeram area will in the long-term revert to agricultural use as opposed to wildlife use?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. JAMES E. DOWNEY (Arthur): Mr. Speaker, I don't know to what statement the Member for The Pas is referring, on any statement I'd made on the long-term. I think any reference to the Saskeram area as far as I was concerned was to the immediate needs that were for the agriculture community, and that's basically what I was speaking in reference to.

MR. McBRYDE: Mr. Speaker, the statement I was referring to was the Minister saying that we have made a decision, saying that they had made a decision, whereas the previous government hadn't, and the previous government had made a decision in terms of the short-term critical drought usage, but not a decision in terms of the long-term. I ask the

Minister if they are in the process of making a decision in terms of the long-term; whether they have made a decision in the long-term to leave it as a wildlife area, or whether they have made no decision at all, as he indicated the other day they had made a decision.

MR. SPEAKER: The question is repetitive. The Honourable Member for The Pas.

MR. McBRYDE: Mr. Speaker, I can't see the question being repetitive. The Minister answered in terms of the short-term; he didn't answer in terms of the long-term. What is the position of the government of Manitoba in terms of the future of the Saskeram area, whether it will be used for agricultural purposes, or whether it will be used for wildlife purposes? Could the Minister answer that question?

MR. DOWNEY: Mr. Speaker, I would like to inform the member that when decisions are made by the government, when it refers to either wildlife use or agriculture, that as the Minister of Natural Resources indicated, I believe it was yesterday, those decisions are made collectively as a government, and when they are made in any area, that are in the particular areas he's referring, he will know. I have indicated any answers that I have given or any requests have been for the short-term use of the Saskeram.

MR. McBRYDE: Yes, Mr. Speaker, so the Minister was somewhat incorrect when he said they had made a decision the other day. My question, Mr. Speaker, . . .

MR. SPEAKER: Order please, order please. The Honourable Minister of Agriculture on a point of order.

MR. MERCIER: Mr. Speaker, I do not want that left on the record. What I have been talking about and in any statements I have made to this House or to the people in that particular area, we have talked in the terms of an emergency situation that has been created by the drought, to go in and make that hay available to the livestock people, to make it available to the local councils that have put requests in. We've responded to their wishes, as I indicated yesterday in speaking to the grievance that the Member for Roblin — his concerns were certainly taken into consideration for his livestock producers in his area, as were the rest of my colleagues part of that decision. The same in putting a bridge in, or a accommodating those people to get to that particular hay, and I'm sure, Mr. Speaker, that it has all been in the context of the difficulties that have been faced because of the drought conditions.

MR. McBRYDE: My question, Mr. Speaker, is to the Minister of Resources, and I wonder if the Minister of Resources could tell us what is the current situation with the Saskeram marsh area, and what is the current water level in the Saskeram marsh area near The Pas.

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. BRIAN RANSOM (Souris-Killarney): Mr. Speaker, I believe I answered that question yesterday, to the honourable member. I'm not certain how many inches of water are being drawn off each day, but I gave the member generally that information with respect to levels yesterday.

MR. SPEAKER: The Honourable Member for The Pas, with a fifth question.

MR. McBRYDE: Yes, Mr. Speaker, the Minister indicated yesterday that he wasn't sure of the exact situation. I thought maybe he would have had an update by that time. Mr. Speaker, my question this time is to the Minister Responsible for the Environment. I wonder if the Minister responsible for the Environment could — Mr. Speaker, if I could without interruption from the Member for Minnedosa, ask the Minister of the Environment what this letter of his dated June 5th, 1980, to Mrs. Lynda Grant of Carberry, Manitoba, in which he says in relation to the use of the chemical 2,4,5-T, it seems advisable, the Minister said, Mr. Speaker, to dispense with existing stocks in a carefully controlled manner. I wonder if the Minister could indicate to the House whether the banning of the chemical is still under consideration by the Minister and whether or not he has sent out any direction to the Minister of Highways, to other Ministers of the government and to the local governments that they shouldn't be planning to renew their stocks of 2,4,5-T for next year.

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

MR. JORGENSEN: My honourable friend takes a circuitous route in asking questions. Suggestions have gone out to the various departments of government that the chemical could be banned, and they are acting accordingly.

MR. SPEAKER: The Honourable Member for Churchill.

MR. JAY COWAN: Yes, thank you, Mr. Speaker. My question is to the Minister of Labour, and as the Government Whip yesterday indicated that the Minister would not be speaking on Bill No. 40, An Act to amend The Labour Relations Act, I would ask the Minister if he would take this opportunity to indicate if that should indicate to us that he is satisfied with government policy as it exists now, according to the legislation that is in place.

MR. SPEAKER: The Honourable Minister of Labour.

MR. MacMASTER: I think that bill can be dealt with in the appropriate manner, Mr. Speaker, and my support of it will be indicated at the right time.

MR. COWAN: Thank you, Mr. Speaker. The question I'd asked the Minister, and I asked it to him as he had taken advantage of not being able to speak yesterday — he had the opportunity and it was indicated to the House that he would not speak on this bill — if he can clarify government policy as it exists now in relationship to religious exemptions

for persons not wishing to pay union dues because of their own religious beliefs, if he could take this opportunity to clarify the existing policy, and the question that follows of course is, is he satisfied with that particular policy?

MR. MACMASTER: Well, the policy is very clear. It's in the legislation today. There is a bill before this House and it will be dealt with appropriately, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Churchill with a final supplementary.

MR. COWAN: As I heard the Minister of Highways wishing to enter into the fray, I would ask the Minister of Highways if he can confirm if his department is currently studying the "super" truck concept for use on the Manitoba highways, and if he can further indicate if there are any studies undergoing as to the safety factor revolving around the use of "super" trucks and the use of carrying more than one trailer on a truck on Manitoba's highways.

MR. SPEAKER: The Honourable Minister of Highways.

HON. DON ORCHARD (Pembina): Mr. Speaker, I would just require a certain amount of clarification from the Member for Churchill as to what is the "super" truck. Depending upon the various manufacturers' preference expressed by various truckers, they each refer to their own trucks as super trucks; if they happen to like it white, that is their super truck. Could he please provide me with a little clarification as to what, in his opinion, is a super truck?

MR. COWAN: I would have hoped that the Minister would not have needed clarification in regard to a term that is commonly used by the industry, an industry of which he should be aware. I would ask the Minister if, without the cute answer, he can provide us with his particular department's activities in regard to studying the use of "super" trucks — and he knows exactly what I am talking about — on Manitoba's highways.

MR. ORCHARD: Mr. Speaker, the Member for Churchill must be talking to a different sector or segment of the trucking industry than I have been talking to, because I have never had discussions with the Manitoba Trucking Association as to the use of "super" trucks on any of our highways. I don't know what a "super" truck is.

MR. SPEAKER: The Honourable Member for Churchill with a fourth question.

MR. COWAN: Can the Minister indicate if his government is undergoing studies to the advisability of changing the link requirements and the gross weight requirements for trucks operating on Manitoba's highways?

MR. ORCHARD: Mr. Speaker, the Member for Churchill has obviously not availed himself of one of the legislative amendments that presently is before

the House in The Highway Traffic Act, which increases the lengths of trailers on Manitoba's highways.

MR. SPEAKER: The Honourable Member for Churchill with a fifth question.

MR. COWAN: If the Minister would listen to the questions that are being asked, Mr. Speaker, instead of jumping to conclusions, I asked him if there is a study ongoing as to the safety factor involved in such increases, and I asked him to report to the House as to what I believe to be a very serious concern as to what his department is doing in regard to ensuring that the allowing of the lengthening of trucks will not, in fact, create a safety hazard on Manitoba's highways. Has he studied the problem carefully and is his department currently undertaking studies of the full significance of those amendments?

MR. ORCHARD: Mr. Speaker, my department, over the past couple of years, has undertaken a number of studies involved with the maximum allowable weight by vehicles on provincial highways, maximum trailer lengths as allowed on provincial highways and, Mr. Speaker, all of these studies have been predicated upon and requested by, and authorized by a recent First Ministers' Conference, which asked various provincial Ministers responsible for transportation in their jurisdictions to come up with more uniformity across Canada, as it applies to the trucking industry. Part of the consideration of that request for greater uniformity, hence an increased efficiency in the trucking industry across Canada, has been the consideration of increased vehicle weights, increased vehicle lengths, primarily, Mr. Speaker, to assure that jurisdictions across this nation have similar regulations in terms of length and vehicle weight and the configuration of truck-trailer combinations throughout their jurisdiction and throughout neighbouring jurisdictions.

This has been a request, Mr. Speaker, as I mentioned earlier, of a recent First Ministers' Conference. It is designed to improve the efficiency of truck transportation across the nation. In that regard, Mr. Speaker, my department has for some two years now been studying a number of proposals, a number of changes, a number of innovations in the trucking industry, to see if we, along with other departments and other jurisdictions, can allow these changes to take place, having in mind as part and parcel of the study, the safety on the highways, the fuel efficiency of the vehicles involved, and hoping, Mr. Speaker, to develop a more efficient, better utilized and more uniform trucking industry across this nation. If that is part of the information that the Honourable Member for Churchill is wanting, certainly we are studying that, Mr. Speaker; we have been studying it for two years.

MR. COWAN: Now that we have finally been advised that the studies are ongoing or the studies have been completed, and the legislation is now before the House, I would ask the Minister if he would be prepared to table those specific studies so as we can review them as to the investigation and research that was done into the actual changes that

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may occur in safety conditions as a result of the proposed amendments.

MR. ORCHARD: Mr. Speaker, the studies have been undertaken by the trucking group of the Canadian Conference of Motor Transport Administrators, of which my department has several representatives, each dealing with a specific area. One or two people have been dealing with vehicle reciprocity, one or two have been dealing with weights and lengths, and those reports are on an ongoing basis. There has been no per se one report, which has come into my attention saying that we shall or we should increase trailer lengths to 23 metres because these are the factors involved. The increase that we are allowing by legislative amendment to The Highway Traffic Act this session, Mr. Speaker, has been in an attempt to bring the three prairie provinces, initially, to one common length of trailer, which is allowed on our highways so that interprovincial traffic between the three prairie provinces can assume some degree of uniformity and equipment between provincial jurisdictions.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY McKENZIE: Mr. Speaker, a question of the Honourable Minister of Resources. I wonder if he could advise the House what the fire situation is in the province.

MR. SPEAKER: The Honourable Minister of Natural Resources.

MR. RANSOM: Mr. Speaker, the fire situation during the past few days has become somewhat more serious again. We had reached a peak some two and half to three weeks ago, then the number of fires had declined to the range of approximately 40, and during the last 10 days or so it's gone back up, I think somewhere in the range of 80. The major fires that we had previously at Bissett, or northeast of Bissett or Porcupine Mountain, are not considered to be totally under control yet. They were very large fires with very large perimeters and there are hot spots that remain in them, and we still have over 800 men at work fighting these fires. The two CL-215s are active. The Canso water bomber which was made available, actually from the province of Newfoundland, Mr. Speaker, is returning shortly because it requires some further checks. I should correct the record there. I previously had advised the House that water bomber had been made available by the government of Nova Scotia, in fact it had been working in Nova Scotia. The government of Nova Scotia had released it to come to Manitoba, but it actually is owned by the province of Newfoundland and we are very grateful to have had the use of that machine.

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 Honourable Minister of Mines and Energy. Apparently the Premier, while Minister of Mines,

announced a potash project for the St. Lazare area back in 1965, and there appears to be a considerable amount of skepticism and doubt among the good people that live in that area. My question to the Minister is in view of this considerable amount of skepticism on the part of some people as reported in the newspapers. Can the Honourable Minister of Mines give us an update or a progress report on the possibility or the probability of this project proceeding?

MR. SPEAKER: The Honourable Minister of Mines.

HON. DONALD W. CRAIK (Riel): Mr. Speaker, I don't expect any further update will be possible before about the end of 1980. The exploration program is underway at the present time. My understanding is that the equipment required for the seismic work has been obtained. The crews were all so busy and tied up in Manitoba they had to bring in equipment from Alberta to do the seismic work. It's now proceeding on schedule and is expected to generate sufficient information for the feasibility study to be underway by the end of 1980. There won't be any other undertakings by the corporation, IMC or the province of Manitoba before we have the full required amount of data available for those studies.

MR. EVANS: I would like to ask the Honourable Minister whether he has, or some member of the government has contacted the municipalities that are likely to be involved, not only St. Lazare but some of the other towns, the RM of Ellice, the town of Birtle, Foxwarren, and so on, whether he has contacted these municipalities to discuss the possible impact on those communities, environmental, social, economic impact, on this communities. Has there been any communication with those communities by the government or is it still too early to consider approaching them at this time?

MR. CRAIK: Mr. Speaker, there hasn't been any formal communication with them with regard to impact on communities from, I presume, a population growth aspect. There has been, of course, informal communication with some of the communities, reactions from them, from the point of view of welcoming the opportunities for economic development in the communities. It's still too early to go the distance of looking at the specifics. I would think the town of St. Lazare would be the community most directly affected by development and it will undergo a fairly major sort of an impact by the economic developments that will spur from that. It's too soon to try and suggest that specific action should be taken on the part of the community. That will be part of the ongoing responsibility of the government to make sure that those communities are contacted at the time of the final feasibility study, and assuming that the feasibility study proves a positive result.

One further matter, a number of the municipalities I do believe own mineral rights in these areas, and I would expect that the IMC corporation would be in contact with them with regard to mineral rights. I would presume that is likely the first thing that would happen.

MR. SPEAKER: The Honourable Member for Brandon East with a final supplementary.

MR. EVANS: Thank you, Mr. Speaker. I thank the Honourable Minister for that information. It wasn't quite clear because of some noise, but he did indicate, I believe, that by the end of 1980 there would be some information available and some decisions might be made. I'm not sure but I think he said by the end of 1980. At any rate, could the Minister provide the House with some idea of a timetable? If the study is positive by the 1980, when would construction begin? My final question, Mr. Speaker, is, could the Honourable Minister table the terms of reference of this study in the House for us to see?

MR. CRAIK: Mr. Speaker, I don't want to get into the timetabling for the development because it may cause the communities involved and the people involved to, in fact, be misled by some idle speculation on a timetable which will have to undergo some further study. With regard to the terms of reference of the study, the basic study terms of reference were indicated in the press release at the time of the announcement by the government that IMC had exclusive rights in the geographical area that was indicated. We have had, of course, some further discussion in the House by one of the members of the opposition wishing to obtain the Letter of Intent and so on, and I have indicated that since it's under negotiation it would be improper under the rules of the House to be dealing with this as a matter of public interest.

MR. SPEAKER: The Honourable Member for Transcona.

MR. WILSON PARASIUk: Mr. Speaker, my question is directed to the Minister of Health. In January of this year, it was found out in Ontario that retarded women in institutions for the mentally retarded were being prescribed a drug called Depo Provera, which has been banned in the United States since 1970 because it has been shown to cause cancer, but that this drug was being prescribed to Ontario women as a birth control drug. Has the Minister been apprised of this situation in Ontario? It's rumored that this is happening in other provinces as well. Has the Minister been apprised of this situation and is he investigating this situation with respect to women in institutions for the mentally retarded and mental health institutions?

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: No, Mr. Speaker, we have had no indication of such but I will certainly take the question from the Honourable Member for Transcona as notice.

MR. PARASIUk: I would like the Minister to investigate both the institutions and whether in fact doctors themselves are prescribing this. He may have to use the College of Physicians and Surgeons in this instance, in that it was found out in Ontario that doctors were prescribing it for uses that weren't approved by the Canadian Government under The Drug Act, but the doctors apparently had some

latitude in doing so, and I would ask the Minister if he would investigate both the institutions and the doctors to see whether in fact this drug is being prescribed to people who aren't in a position to give consent or not.

MR. SHERMAN: Mr. Speaker, I would do that, I would just like to add the one caveat that I accept the question from the Honourable Member for Transcona as a question, and I would hope that its presentation and representation is not misconstrued by anybody in this Chamber or by the public at large. He is asking me whether there is such a situation and a circumstance in Manitoba, I have no indication that there is, and I would hope that nobody would conclude that the question implies that such a situation exists. I will certainly investigate it.

MR. SPEAKER: Order please. The time for question period having expired, we will proceed with Orders of the Day.

ORDERS OF THE DAY

BUSINESS OF THE HOUSE

MR. SPEAKER: The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, perhaps I could firstly indicate that Law Amendments Committee will meet Tuesday morning at 10:00 a.m.

Mr. Speaker, would you call Second Reading of Bills 47, 77, 78, 80, and 82, and then we will proceed into Committee of Supply.

SECOND READING — GOVERNMENT BILLS

BILL NO. 47 — AN ACT TO AMEND THE LAND ACQUISITION ACT

HON. HARRY ENNS (Lakeside) presented Bill No. 47, An Act to amend The Land Acquisition Act, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister of Government Services.

MR. ENNS: Mr. Speaker, this bill does not have any great amount of substantive changes to the manner and way in which the government or the public purchases land from time to time for public purposes. I suppose the one particular section that is new and one that I have some particular pride in introducing, Mr. Speaker, inasmuch as that I had hoped to, in fact, I recall trying to bring it about in 1968 when last I was Minister of Highways, but was not successful at that time, and that is to include all purchases of government land and to bring that under The Land Acquisition Act and under the supervision, if you like, of the Land Value Appraisal Commission. I refer specifically to the utilities, Manitoba Hydro, Manitoba Telephone Systems. Other Crown agencies, such as the Manitoba Housing and Renewal Corporation, have used the

services of The Land Acquisition Act and the Land Value Appraisal Commission in the past, but specifically Hydro, I suppose, more so than Telephones because Telephones in most cases doesn't buy land, it usually just simply requires an easement.

The difficulty, and I am sure members, particularly some of my rural colleagues, will understand and appreciate that the general public perceives Hydro or government, whether it is purchasing for highway acquisition or water drainage works, all as government purchases of land and therefore when there is an inconsistency by government and/or its agencies in the purchasing of land and the price being offered for land, sometimes within the same section of land if Hydro requires right-of-way for a transmission line at the same time that the Department of Highways requires some additional feet for a highway, it causes problems when the two agencies of government are making different deals or offering different prices and acting with difference procedures in the purchase of that land.

I am very pleased, Mr. Speaker, that in Bill 47, the amendment before you, that it makes it clear that the acquisition of lands by Crown agencies specifically are included to now come under the aegis of The Land Acquisition Act, and more specifically that means that they require the certification of value by the Land Value Appraisal Commission, which is the independent body under the capable chairmanship of Professor Cameron Harvey, that works in all our interests, in the interests of person who owns the land and is being asked to give up the land for public purposes, but also in the interests of all of us as taxpayers, that in fact the government pays reasonable compensation and is not expected to pay, as sometimes is the case. Indeed the expectation is that when government buys or its agencies that the sky is the limit in terms of price.

That, Sir, is one of the major changes in Bill 47. There are other housekeeping changes involving the withdrawal of the references to acreage, to land units. That is in keeping with the metric conversion that is slowly but steadily taking place in this province. It is of a housekeeping nature.

The other change involves the changing of such items as quorum. We found that the current requirement in the Act makes it sometimes difficult. Particularly when the group has to travel to rural parts of Manitoba, to Brandon, to Dauphin, to hold hearings, that it is not always possible to have the entire board sitting there, so the recommendation is that it be reduced, that two members constitute a quorum for sitting of a panel of the Commission. That doesn't make a ruling, but they can sit as a panel and hear the submissions made to them by land owners.

Mr. Speaker, I should also indicate that there is a companion bill, if you like, but there are some amendments which I hope to introduce. I haven't had the approval from my caucus, as yet, to do so, but I will seek to get that approval, to making also some

...

MR. SPEAKER: Order, order. Order please. I wonder if we could deal with one bill at a time.

MR. ENNS: Yes, Mr. Speaker. I was attempting to do my caucus work, but obviously, Sir, you called me to order and I can't get away with it. I just wanted to indicate though, Sir, that there is a slight involvement of the other bill, Sir, that I won't mention, in the sense that it will strengthen the landowner's position to some extent, to make sure that he is being dealt with fairly by expropriating authorities. That is not expressed in this bill before you, this deals only with The Land Acquisition Act. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Wellington

MR. BRIAN CORRIN: If the Honourable Minister, Mr. Speaker, would allow me one question, and that is with respect to whether or not this particular bill will in any way abridge the rights of private citizens who are affected by government expropriating authorities attempting to acquire their lands. Will those private citizens in any way have their rights abridged by this particular bill? Will there still be recourse to all the provisions of The Expropriation Act with respect to those citizens and their rights?

MR. SPEAKER: The Honourable Minister.

MR. ENNS: Mr. Speaker, I can assure the honourable member that nothing in this bill, and indeed, I think if I'm successful in bringing the amendment to The Expropriation Act before this Chamber, he will appreciate that, if anything, the rights of the individual are in fact enhanced. There is no abridgement of any current rights. Companion amendments to The Expropriation Act, in fact, will further enhance the individual person's rights with respect to expropriation procedures that are currently in law and that are available to him when his land or his property are being required for public purposes.

MR. SPEAKER: The Honourable Member for Wellington.

MR. CORRIN: One further question, Mr. Speaker. If, Mr. Speaker, the Land Value Compensation Board is called into play, and I suppose under the provisions of this bill they always will be, and they make a determination of value, will that be binding on the government, in the event that the government pursues the acquisition of the land by way of expropriation at some future date? Will the government be bound by that determination and will they minimally have to pay compensation in the amount established by The Land Value Appraisal Commission to the private citizen affected?

MR. ENNS: Mr. Speaker, the Land Value Appraisal Commission is a body that certifies value for a piece of property. The expropriating authority, the government, in most instances and/or now one of its agencies, such as Hydro, is bound by the Certificate of Value placed on that particular piece of property by the Land Value Appraisal Commission. However, the individual, the landowner, is not bound by that Certificate of Value. His recourse to the courts is open to him.

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

MR. SAUL CHERNIACK: Mr. Speaker, I wonder if I can ask the Honourable Minister a question. I would like to ask him, in view of the fact that it seems to me that the 5,000 floor — I think that's the word floor, rather than ceiling — but it view of the fact that it seems to me that 5,000 is a high figure below which the act, or the bill, does not have any impact, could he indicate whether there is any study that has been made that justifies the figure of 5,000, or some reason as to why it shouldn't be a lower figure, which would still be substantial — even as low as 1,000 might be a substantial one — and whether he could indicate the reasons for the 5,000, and, if he can, in due course let us have whatever studies have been made to support that amount.

MR. SPEAKER: The Honourable Minister of Government Services.

MR. ENNS: Mr. Speaker, that's a figure that was recommended by officials dealing with the acquisition of land. The director of the Acquisition of Lands Branch, Mr. Jack de Zeeuw will be available to us at committee to perhaps provide us with the kind of information that the honourable member is asking for. I cannot indicate to the honourable member whether or not that specific study has been made, but I would assume that, in today's values, is a reasonable figure. Certainly it's not the kind of item where, if it can be shown that a considerable amount of purchasing activity is taking place, that by reason of this figure is exempted or excluded from the act, then certainly we could reconsider that figure at committee time.

I would have to ask the honourable member's indulgence. I'll remember the question and make sure that the department has that information available to us when we consider this bill at committee. —(Interjection)— Mr. Speaker, I generally remember most things concerning the Honourable Member for St. Johns, his wedding anniversary, etc., etc.

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

MR. CHERNIACK: Mr. Speaker, in view of the fact that I don't want to rely on the Honourable Minister's memory, I wonder if it would be possible to have some sort of chart or some sort of information available at the hearing. —(Interjection)— Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Wellington.

MR. CORRIN: One more question, Mr. Speaker, a very simple one, and it's purely for clarification, because I think the member made this point during the course of his explanation.

I would ask, just for the sake of clarity, whether or not the provisions of this bill will make mandatory that all Crown agencies and departments come before the Land Value Appraisal Commission prior to finalizing any acquisition of lands.

MR. SPEAKER: The Honourable Minister of Government Services.

MR. ENNS: Yes, Mr. Speaker, that is the situation. I am advised that it is not specifically necessary to have that spelled out in the statute. It's been possible to direct an agency to do its purchasing of land under the aegis of this act and use the Land Value Appraisal Commission for certification of value. Some agencies, such as Manitoba Housing and Renewal Corporation, I believe the odd occasion where the Manitoba Agricultural Credit Corporation has been involved in the purchase of land, have made a practice of using it. But because it has never been stated in any act that all Crown agencies should, such agencies, and principally Manitoba Hydro, which is a major purchaser of land in this case, they have chosen not to come under this act. In fact, it resisted coming under the act by specifically including in the act the reference that all Crown agencies of government have to abide and work with the Land Value Appraisal Commission. That, I think, answers the questions of the Honourable Member for Wellington.

MR. SPEAKER: Order please. One of the problems that we have when we start getting into the question period here, is we are getting into debate. The questions that have been asked before should have been purely for clarification of the comments of the Minister in the introduction. They should not involve any other part of the bill or things of that nature. It is purely for clarification of the comments of the Minister when he is introducing the bill.

The Honourable Member for Wellington.

MR. CORRIN: On that point of order, Mr. Speaker, I would just indicate to you, with the greatest of respect, that the questions, and I can only speak for myself, not other members, the questions I was posing to the Minister were solely for the purpose of clarification and did, in my opinion, have regard to the explanatory comments made by him previously.

I would indicate, Mr. Chairman, that by asking these questions, I think I served the purpose of the Assembly insofar as I, in my own mind, believed . . .

MR. SPEAKER: Order please. If the honourable member has a question, I wish he would put it forward.

The Honourable Member for Wellington.

MR. CORRIN: On a point of order, Mr. Speaker, I just wanted to say that we were trying to expedite . . .

MR. SPEAKER: Order please. There is no point of order.

The Honourable Member for Wellington.

MR. CORRIN: Thank you, Mr. Speaker. Mr. Speaker, we would ask, through you, whether the Honourable Minister can advise what section of the bill before us makes provision for the universality of the application of this bill to all Crown agencies and commissions.

MR. SPEAKER: Order please. I would have to rule the question out of order. We are talking about the general principle in a bill. We are specifically forbidden from referring to particular sections. The question is out of order.

Are you ready for the question? The Honourable Member for Logan.

MR. WILLIAM JENKINS: Mr. Speaker, I beg to move, seconded by the Honourable Member for Seven Oaks, that debate be adjourned.

MOTION presented and carried.

BILL NO. 77 THE FAMILY LAW AMENDMENT ACT

MR. MERCIER presented Bill No. 77, The Family Law Amendment Act, being An Act to amend The Queen's Bench Act, The Family Maintenance Act, The Judgments Act, The Marital Property Act and The Real Property Act and to repeal The Parents' Maintenance Act, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: Mr. Speaker, this bill introduces Family Law amendments, which are intended to strengthen alimony and maintenance enforcement procedures. The bill repeals the existing Parents' Maintenance Act and introduces it into the Family Maintenance Act as Part III thereof. A dependent parent is simply defined as a parent who requires assistance for support and maintenance and all children have a joint obligation to provide dependent parents with reasonable support and maintenance. The act sets out the factors to be considered by the Court in determining whether to make an order for maintenance for a parent, and if so, the amount of maintenance.

The present Act restricts an order for maintenance for parents to 20 per week. The amendments would increase the maximum to 200 per month, and allow the court to make an order in excess of that limitation where the limitation would be grossly unjust under all the circumstances.

I bring to the attention of members of the Assembly, Mr. Speaker, that an application was made under the existing act last year, and an order was made in the Family Court as a result of that application, and it appears to indicate some requirement for this kind of legislation.

Mr. Speaker, the act will require a person in default on a maintenance order not only to appear before the Court to be examined in respect of his employment, income assets and financial circumstances, but that person will also be required to prepare and file with the court, a sworn financial statement in a form satisfactory to the designated officer setting out particulars as to his employment, income assets and financial circumstances. This will ensure access to the necessary information for the court.

The act will permit a computer printout of the state of a maintenance account between the parties to the proceedings to be admitted in evidence.

Mr. Speaker, the act will further amend The Judgments Act, and permit proceedings for the sale of any land or any estate or interest in land where there has been a default in payment of alimony or maintenance. The act will permit proceedings to be instituted, and an order for sale to be made at any time after registration and without waiting for the expiry of a period of one year as is presently the case.

The act will permit the Court, in addition to direct that any surplus moneys be invested as security for future amounts payable for maintenance or alimony. Mr. Speaker, I must point out to the members that we have not followed the recommendations of the Law Reform Commission in its report on improved methods of enforcing support orders against real property. The Law Reform Commission recommended that registration would only be accomplished where the Court, with its full discretion, determined that such an enforcement measure was required, having regard to the likelihood of default and the possibility of enforcing support orders through another, more suitable measure.

Mr. Speaker, we have determined that the strongest measures available were required to ensure that orders of the court for maintenance or alimony be complied with. The act will also give effect to the recommendation of the Law Reform Commission that parties should be granted the right to discharge or postpone a support order by registering an instrument to that effect signed by the creditor spouse. This will relate only to an order for judgment for alimony or maintenance, which has no provision for payment in respect of a child. Where a child is involved, the support orders can only be discharged or postponed by the court.

The proposed amendments will also permit the Court, Mr. Speaker, under the Marital Property Act, to require a spouse who has unreasonably delayed proceedings, to pay interest to the other spouse on any amount payable to the other spouse. Presently there is no penalty that the court can impose where a party unreasonably delays these proceedings.

Mr. Speaker, I commend these amendments to all members of the House. These amendments will ensure that Manitoba continues to be in the forefront in the enforcement of alimony and maintenance orders in this country, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Logan.

MR. JENKINS: Mr. Speaker, I beg to move, seconded by the Honourable Member for Rossmere, that debate be adjourned.

MOTION presented and carried.

BILL NO. 78 — AN ACT TO AMEND THE EXECUTIONS ACT, THE COUNTY COURTS ACT AND THE PROVINCIAL JUDGES ACT

MR. MERCIER presented Bill No. 78, An Act to Amend The Executions Act, the County Courts Act and The Provincial Judges Act, for second reading.

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MOTION presented.

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: Mr. Speaker, the Manitoba Law Reform Commission was requested to consider The Executions Act and make recommendations for the improvement, modernization and reform of The Executions Act. In particular, the present exemptions under The Executions Act are considerably out of date. This bill introduces all of the amendments recommended by the Law Reform Commission in its report on enforcement of judgements, Part III, exemptions and procedure under The Execution Act. All members have received a copy of the Manitoba Law Reform Commission Report. Mr. Speaker, this Act will abolish priority of writs of execution, the amendments to the County Courts Act and the Provincial Judges Act, and ensure that there is no priority of claim in respect of writs of execution in the hands of a sheriff or a bailiff.

Mr. Speaker, I commend these amendments to the members as being a necessary updating of the provisions of The Executions Act.

MR. SPEAKER: The Honourable Member for Logan.

MR. JENKINS: I beg to move, seconded by the Honourable Member for St. Johns, that debate be adjourned.

MOTION presented and carried.

**BILL NO. 80 — AN ACT TO AMEND
THE PAYMENT OF WAGES ACT AND THE
REAL PROPERTY ACT**

MR. SPEAKER: Bill No. 80, the Honourable Attorney-General.

MR. MERCIER presented Bill No. 80, An Act to amend The Payment of Wages Act and The Real Property Act, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: Mr. Speaker, last year we introduced amendments to Section 7 of The Payment of Wages Act, which deals with wage earner's lien. At committee, Mr. Speaker, we undertook not to proclaim . . .

MR. SPEAKER: Order please. The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Speaker, I don't know whether it is the acoustics in the hall or not, but we usually have difficulty at this end hearing the Honourable the Attorney-General. I wonder if I could ask him to speak either directly into the microphone, or more loudly. I could not hear what he was saying.

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: Mr. Speaker, as I indicated, last year we introduced amendments to Section 7 of The

Payment of Wages Act, which deals with wage earner's liens. We undertook in committee, after some debate, not to proclaim the amendments that were passed last year until after we had received a report from the Law Reform Commission recommending proclamation.

We have received that report recommending proclamation, Mr. Speaker, but despite that recommendation, we determined that the amendments passed last year went further than were originally intended. In the circumstances, we therefore did not proclaim the 1979 amendments to Section 7 of The Payment of Wages Act.

Our intent, Mr. Speaker, is to ensure that the wage earner's lien would not affect prior registered mortgages, say, for advances made after notice of the wage earner's lien. Where a person has put up money on the security of land or designated personal property, that person should be protected to the extent of his legitimate claim in the property as against any subsequent lien.

Last year, Mr. Speaker, the Supreme Court of Canada interpreted similar legislation in a British Columbia case, the Board of Industrial Relations versus Avco Financial Services Realty Limited. The court held that the statutory lien for unpaid wages did not affect mortgages made prior to the lien for unpaid wages and that the lien attached only to the employer's equity of redemption in the property. Last month, the Manitoba Court of Appeal, in a unanimous decision, came to a similar conclusion in the case of Federal Business Development Bank versus Perrin et al, a judgement of the Honourable Mr. Justice Matas, delivered May 13, 1980, which is unreported to date, Mr. Speaker.

The amendments in this bill will clarify that the prior registered mortgage will have first priority and will extend this principle to personal property. A perfected purchased money security interest will have priority to any lien for wages. A purchased money security interest is defined in the same wording as used in The Personal Properties Security Act. The same principles, Mr. Speaker, should apply to real property and personal property.

An amendment to the Act will also require any complaint by an employee, where an employer has failed or refuses to pay wages, to be filed within 60 days after the wages were due. The Employment Standards Division has encountered difficulties in investigating complaints that have not been filed until several months have elapsed from the time that the wages were due. It is imperative, Mr. Speaker, that complaints for unpaid wages be filed immediately so that the Employment Standards Division can commence their investigation as soon as possible.

I bring one other matter, Mr. Speaker, to the attention of members. The amendments to the bill with respect to a lien for payment of wages particularly point out that the lien is payable in priority to any other claim or right, including those of the Crown and the right of Manitoba, Mr. Speaker, which I believe is an important change in principle with respect to that matter, giving the wage earners priority over the Crown.

Mr. Speaker, thank you.

MR. SPEAKER: The Honourable Member for Logan.

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MR. JENKINS: Mr. Speaker, I beg to move, seconded by the Honourable Member for Kildonan, that debate be adjourned.

MOTION presented and carried.

BILL NO. 82 — AN ACT TO AMEND THE CLEAN ENVIRONMENT ACT

MR. JORGENSEN presented Bill No. 82, An Act to amend The Environment Act, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister of the Environment.

MR. JORGENSEN: Mr. Speaker, the bill before the House includes several features that we hope will fill perceived gaps in the existing Clean Environment Act. In the first instance, a new definition if provided for abatement projects. Under the current definition, the business or plant causing an undesirable environmental condition can be physically removed. But in some cases, Sir, it may be preferable to remove the residences or other occupants of the area affected by the condition. It may be less costly to do so and it may be preferable to do so. Under the new definition, the project can authorize the removal of the undesirable condition or the people and property affected by the condition.

On the same subject, at the present time the Clean Environment Commission holds public hearings in respect of a proposal for an abatement project. Upon completion of the hearings, the Commission may issue an order authorizing that particular project. The provincial government may, at its own discretion, participate financially with a municipality, up to a maximum of 50 percent of the costs of the project. Such participation may not always be desirable. It is proposed, therefore, that the Commission will not issue orders in respect of an abatement project. They will continue to hold public hearings but it's power will be limited to submitting a recommendation before the Minister regarding that particular project.

There is currently no statutory obligation for persons to report environmental accidents. On the whole, there has been an excellent co-operative spirit in reporting accidents that have occurred on public property or in a manner that causes damage to the general environment, but we are by no means certain of the number of accidents that occur on private property and that may ultimately affect the environment. It is proposed that it be a statutory obligation to report environmental accidents of all kinds, in any type of location.

In conjunction with that provision, Sir, we are extending the authority of our environmental officers in order to enable them to deal with these particular matters. As one may suspect, environmental officers are not always greeted with enthusiasm when they are dealing with these matters and it seems desirable that they have the authority to be able to deal effectively with the problems that arise from time to time.

On another matter, Mr. Speaker, if members will no doubt be aware that parliament is currently

considering a new Federal Transportation of Dangerous Goods Act and while this will apply to all rail, air, water and interprovincial truck transportation, it is necessary that we have a capability of establishing parallel requirements for transportation of dangerous goods within the province and the amendments are intended to give effect to that desirable situation. Another gap in the legislation that we perceived is the ability to establish standards for the handling, storage, and the use of hazardous material. They will be provided for in this bill. It is proposed to include provisions in the Act to cover all aspects of the handling, storage, using or transportation of hazardous materials.

A further provision, Sir, at the present time the act permits The Clean Environment Commission to issue orders limiting the discharge of materials into the air, water, or onto the land. There is no provision, however, whereby the commission can include in its order the terms and conditions under which such limits of discharge are allowed. It is, we feel, highly desirable that the commission will have this expanded power.

Those, Mr. Speaker, briefly are, in general, the provisions that are provided for within this legislation and are recommended to the House.

MR. DEPUTY SPEAKER, Abe Kovnats (Radisson):
The Honourable Member for Logan.

MR. JENKINS: Mr. Speaker, I beg to move, seconded by the Honourable Member for Churchill, that debate be adjourned.

MOTION presented and carried.

MR. DEPUTY SPEAKER: The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, I move seconded by the Minister for Government Services 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.

MOTION presented and carried and the House resolved itself into a committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Radisson in the Chair for the Department of Economic Development and Tourism.

SUPPLY — ECONOMIC DEVELOPMENT AND TOURISM

MR. CHAIRMAN, Abe Kovnats (Radisson): This committee will come to order. I would direct the honourable members' attention to Page 36 of the Main Estimates, Department of Economic Development and Tourism. Item under discussion is Resolution No. 48, Clause 2. Operations, Sub-section (h) Business Development, (1) Salaries—pass — the Honourable Member for Brandon East.

MR. EVANS: Thank you, Mr. Chairman. I note in the last annual report of the department, 1978-79, that there are references made to some of the larger companies that had obtained assistance, namely

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Tupperware in Morden, and McCains in Portage la Praire, just given by way of example, and the last sentence of this section under Business Development states, "We can anticipate continued industrial growth to take place in Manitoba during the coming fiscal year."

At any rate, I wonder if the Minister can now give the committee some idea as to what major projects might be anticipated in the coming months or the coming year. I appreciate the fact that some may be in negotiations or may be in a state of active planning and consideration and therefore there cannot be much said about them, but nevertheless there may be others that are not in that category and also the Minister perhaps could talk in general terms as to what we can expect, what can we anticipate in the way of continued industrial growth that is referred to in the report.

MR. CHAIRMAN: The Honourable Minister.

HON. J. FRANK JOHNSTON: Mr. Chairman, from April 1979 to March 1980, there's the Green Belt System; Plains Seeds; McCain Foods, potato processing expansion; Western Pickles need a new plant; Winnipeg Old Country Sausage; Kildonan Plastics; Marvel Brute Steel Buildings; Namasco; Steel Services Centre; Matador Converters, which is wadding. On the basis of that list, with the jobs in place at the present time since April 1979 from those alone is 294; the projected jobs is 373 because they are expansions. Expansions: Prasco; Monarch; Versatile; Canadian Bronze . . .

MR. CHAIRMAN: Order please. Could the Honourable Minister speak into the microphone, we are having some difficulty. That's better. Thank you very much.

MR. JOHNSTON: . . . Canadian Bronze; CSP Foods Altona, expansion; Mr. Kays; Herb Best; Northern Goose; Universal Printers; Western Peatmoss; D. W. Friesen; Manitoba Rolling Mills; Shellar Grove; Squire Manufacturing; Freed and Freed; Cedar Sportswear; Ancast; Glasgow Furniture; Miami Fashions; Rice Sportswear; Dura Printers; Gibson Labels; J. Berger; Sunset Thermographics Limited; Guertin Brothers; Reliance Plastics; CAE Aircraft, expansion. We currently are working on 20 projects involving new opportunities for Manitoba. The examples are wafer board study; flax pulp study. There's working with a furniture group; drilling equipment; custom printing; custom galvanizing is being looked at. Galvanizing is something that is required in Manitoba.

Other completed projects are Meyers Packing Limited. Centennial Packers of Calgary are coming into Manitoba, and they have announced that they are coming into Manitoba. It's a very small but it's a new packing plant. Standard Aero is looking at an expansion for 26 people. Domtar and Syndicate Montreal is coming in. These are completed projects. Simplot Chemical of Brandon, which was very disappointing, Mr. Chairman. We hear about several of them, questioned on the closures, and yet the Member for Brandon East never mentioned the 30 million expansion announcement of Simplot in Brandon.

New projects that are working on are, Comfor Therm. G. F. Bradley in the meat business is looking at an extension. We are looking at expansion in the aircraft industry. Van Walters and Rogers are looking at coming to Manitoba. The very current project, as a matter of fact that was in the paper, that the city of Winnipeg voted to sell the land to a company called Sterlake, which the plans are for a 4.5 million plant in St. Boniface. It's a seamless aluminum forging plant for the aerospace industry. Palliser Furniture is on. Our old friend, No-Sag Spring, we're still negotiating with. Germac Industries. Coldstream Products Limited have accepted the DREE offer for 2 million for an expansion of 2,450,000.00. Custom paint facilities are being worked on; the glass pellets are being worked on and batteries; Motor Coach Industries are awaiting an application.

We've had discussions with engine manufacturers, and we've had discussion with people who supply equipment to the oil well business in western Canada. Of course we know Sekine at Rivers is back into operation. We had a very extensive meeting with Krauss Maffei of western Germany, who are the manufacturers for the Canadian government for the leopard tank and they have an obligation to purchase a certain amount of materials in Canada. They brought over a team that met with Manitoba businessmen.

There are others, Mr. Speaker, that I am not really at liberty to mention because I don't believe the companies would want me to do so at the present time. Companies that are presently working in other provinces really don't want to have announcements made that they are considering moving somewhere else. I just wouldn't be able to mention some of the others.

MR. CHAIRMAN: The Honourable Member for Brandon East.

MR. EVANS: I thank the Minister for the information. He rattled off quite a bit. It was hard to follow, however, at times because of noise and also I guess he was a bit far from the microphone.

I would like to know for the past year, either the past calendar year or the past fiscal year, just how many new manufacturing establishments, as opposed to expanded manufacturing establishments, the department was involved in; how many new manufacturing establishments and how many jobs connected therewith that the department was involved with in the last year.

MR. JOHNSTON: New plants and expansions, Mr. Chairman, or new plants for 1978-79 were five brand new plants that the department was really directly involved in, for a total 226 jobs. A company was involved in the expansion of eight, with a potential of 951 jobs. This year in 1980 the jobs for new plants in place are 294 for new plants; expansions for new plants is 666, giving a total of 960 jobs. The potential for those plants is a total of 1,662 jobs. The investment with the expansion of those plants — new plants and expansion — when fully operating, would be an investment of approximately 73,630,000, Mr. Chairman.

INTRODUCTION OF GUESTS

MR. CHAIRMAN: If I could interrupt the proceedings just for a moment, I would like to direct the attention of the honourable members to the Speaker's gallery, where we have my wife and a couple of friends from Anaheim, California, Mr. and Mrs. Dave Heintz, who are visiting the Legislature for the very first time. Dave was a resident of Manitoba and had to leave the province because of health, but he does return every summer.

On behalf of the honourable members we welcome you here today.

SUPPLY — ECONOMIC DEVELOPMENT AND TOURISM Cont'd

MR. CHAIRMAN: The Honourable Member for Rossmere.

MR. VIC SCHROEDER: Thank you, Mr. Chairman. During the past year the department has been involved to some extent in providing funding to industries such as K-Cycle, and I am just wondering whether the Minister could advise as to the criteria on which the department would provide funding to anyone who applied, that is, grants.

MR. JOHNSTON: The K-Cycle plant grant came under Enterprise Manitoba's Section for Experimental, and it was applied for and looked at by the federal-provincial committee, who recommended that we go into it from a technology point of view, Mr. Chairman. That is how that one was done. It was a Manitoba company, who has remained a Manitoba company and intends to remain a Manitoba company and wants to expand here, and there are good possibilities for it. We have a mortgage on the building; the building is separate from his other buildings, and all of those details were taken into consideration.

As far as incentive grants are concerned to people coming into the province, which would come under this section — well, no the grants wouldn't, but here is where we run into it all the time. Our development officers are continually running into competition from other provinces who have incentive programs, published incentive programs as a matter of fact, and down in the States every State is chasing business, who have municipal bonds, they have everything. As a matter of fact, the province of Saskatchewan as far as Northern Tel is concerned — Northern Tel will be building a plant there to make fibre optics. The plant will be approximately in the neighborhood of, I think, 25 million — no, the plant will be about 11 million. The contract for fibre optics with Saskatchewan is, I think, in the area of close to 25 — no, 52 million is the contract for fibre optics for Saskatchewan, and the Saskatchewan Government gave Northern Tel approximately 50 percent of the order, paid for it up front 25 million, and when you work that out, that bought the plant, and that is a very large forgivable loan. As a matter of fact, it is a press release, Mr. Chairman, no problem with it at all.

So we have competition on all sides of us, Mr. Chairman, and our attitude at the present time and has been since last year, and I explained it last year, that we, as a province, feel that we have some very good advantages, that we are in competition and we

would sit down and negotiate. At this point, K-Cycle got a technology grant for research under Enterprise Manitoba. We had negotiations which did not work out, because we weren't competitive enough and didn't feel we could go any further. That is the basis that we would look at any grants as far as incentives to industry are concerned, but I assure you we don't live in a fishbowl. We have tremendous competition on all sides of us, and factories that supply North America or the world can go anywhere. These companies know that they are available, many of them don't even agree with the policy of receiving grants, but if they are available they have to look at them.

But we are a DREE area, we take people to DREE. The Sterlake people arrived in this province; they were picked up at the plane by our development officers; they were shown the province; they were shown the industries that could be supplied by them, the assistance of the DREE application was made out in our offices, we followed it down, worked with the Development Bank in Ottawa, everything was the work of our people. They did get a DREE grant though. We took them there, because if they hadn't got a DREE grant they wouldn't have come to Manitoba, because they had better offers elsewhere.

MR. SCHROEDER: Does the Minister have specific criteria which a corporation must meet in order to obtain a grant from this government, and if so, what are those criteria? It would appear from the Minister's answer to the previous question that there are such criteria, that they are open and above board in other provinces and states, that is, that they are published and people know where they have to go and exactly what criteria they have to meet in order to qualify for grants, as, for instance, they have to do under the Department of Regional Economic Expansion grants. They are contained within the act and the regulations of that department. Are there such specific qualifications for funding available for people who are interested in coming to this province, and are they being distributed in other areas?

MR. JOHNSTON: There is no published criteria for any industry to get a grant from the province. There is no published municipal bonds like in the States, there is no published tax concession, the criteria is that they are a company that would stay in Manitoba for a long time, create jobs in Manitoba for a long time, and the province would see a return on any money that was advanced through taxes, etc., in a reasonable length of time. Those are the types of negotiations that we enter into. We don't publish anything. As a matter of fact, it is not our intention to at the present time, and as a matter of fact, with the competition the way it is, I would suggest to the honourable member that the person who publishes a price list is the guy that gets undercut, so we would prefer to negotiate. Our negotiations also have to be on the basis that it is hopefully a high technology industry that fits into the six areas, electronics, aerospace, transportation, farming, light machinery, that we think are the ones that will be the best for improving the economy of Manitoba.

MR. SCHROEDER: Mr. Chairman, the Minister indicated that there was no list, there was no

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publication. Can the Minister advise first of all as to the amount being budgeted this year under his department to provide assistance to companies coming into the province, and secondly, the amount spent within the last twelve months on grants to companies coming into the province?

MR. DEPUTY CHAIRMAN: (1)—pass — the Member for Fort Rouge.

MR. EVANS: On a point of order, I don't believe the Chairman was listening, the Honourable Member for Rossmere asked a specific question, the Minister was about to get up to reply, and I think rather than rush on, because we do have a few questions and then we will pass on, the Minister was going to reply, so I think it would be more reasonable, Mr. Chairman, if you would allow the Minister to reply before the Member for Fort Rouge asks her question. —(Interjection)— The member explains she got up because she didn't want it to pass, because she has some questions to ask, so I think if we just take a reasonable approach here and give the Minister time, because there are a lot of figures, to get the information that we as the representatives of the taxpayers in this Assembly would kind of like to ask, we should allow the Minister an appropriate amount of time.

MR. DEPUTY CHAIRMAN: Your point is well taken, but the Chair had simply recognized that maybe the Minister was going to stack some questions to answer, as many Ministers do. There were two members that rose at that time before the Minister, and I simply recognized one of those two, right or wrong.

(1) — the Member for Rossmere — the Honourable Minister.

MR. JOHNSTON: Mr. Chairman, the amount in 1979-80 was budgeted at 14,500. We spent approximately 16,000. The amount budgeted at the present time for any — but these are for specific studies. These are studies that we would work with people. They are not in the form of handing people money. We budgeted 14,500 for studies, pardon me, a total of 25,000 for studies. When companies come in we will work with them on a study as to the viability of coming to Manitoba. We do have an infrastructure program as well, but that is under Enterprise Manitoba, Mr. Chairman.

MR. DEPUTY CHAIRMAN: The Member for Rossmere.

MR. SCHROEDER: Mr. Chairman, my understanding is that the K-Cycle Engine people received funding from the department outside of Enterprise Manitoba. If that is incorrect, I would appreciate the Minister saying so. If that is correct, then I would ask the Minister to explain how that was done on 16,000, when I understand that the amount paid to K-Cycle was considerably more than that figure.

Could the Minister also advise as to whether in the last year, first of all, there were grants given, or forgiveable loans, other than those loans of up to a maximum of 30,000 each under Enterprise Manitoba,

loans other than those — or grants, I should say, grants or forgiveable loans other than the Enterprise Manitoba Program to people other than K-Cycle Engines, and if so, to whom?

MR. JOHNSTON: The grant other than K-Cycle Engines — the K-Cycle Engine one I am told was a technology study that went through the Manitoba Research Council, and there were no grants, there were no forgiveable loans other than Enterprise Manitoba.

MR. SCHROEDER: Mr. Chairman, it was my understanding from the previous comments of the Minister that this government would look at any corporation coming to this province, and look at long-term jobs and long-term economic benefits, and if there were those benefits, they would be prepared to compete with other provinces and states. He cited an example of Saskatchewan providing a 25 million gift to a corporation which decided to settle there.

Can he advise as to the amount budgeted for this coming year for that type of grant to businesses coming to Manitoba?

MR. JOHNSTON: There is no budget, Mr. Chairman. The negotiations with any corporation coming to this province would take place, and it would be something that would have to be taken to, first of all, the Economic Development Committee of Cabinet, and presented there. A recommendation would have to go from there to Cabinet as to whether the funds would be made available to do it. It is a decision that would be done after consultation and recommendation to Cabinet.

MR. SCHROEDER: I'm just wondering whether the Minister could explain why it is that there's no amount of money budgeted at this time in the main estimates for that type of activity. It would seem to me that there would be a number of companies which would be interested at any time in coming and certainly in looking for these kinds of funds, and surely the government should make a conscious decision at the beginning of any fiscal year as to how much it is prepared to spend on this specific type of program for the economic development of the province. It may be that it wishes to spend nothing or it may be that it wishes to get into the league of Saskatchewan with that 25 million, but whatever it is, it would seem to me that it would be logical to have it shown in the main estimates, so that we know what we're dealing with.

MR. JOHNSTON: Mr. Chairman, in Manitoba the first thing we do is try to use the DREE, because we are a DREE area. We have no idea, really, how many negotiations. We have people that we are discussing with all the time, and we have many people that come to Manitoba that don't want to become involved in grants. We would not budget an amount of money to have this, the old development corporation, which has some authority to make loans and that type of thing, but those are decisions that would go to Cabinet and it would be decided whether the business was one that would help the economics of the province of Manitoba and, if it was decided to do so, the money would then have to be

found by the Minister of Finance, and it would certainly have to be public knowledge. On that basis, we don't put anything in the budget on that.

We don't have a fixed policy, Mr. Chairman, so how can we have something in the budget?

MR. CHAIRMAN: The Member for Burrows.

MR. BEN HANUSCHAK: Mr. Chairman, it's interesting to hear the Minister just indicate that he doesn't have a fixed policy, because my question that I was about to put to him was on that very point, and I will still ask him. I note that this appropriation, or the description of the program covered by this appropriation is that it promotes Manitoba as a viable location for new and expanded manufacturing facilities, creating additional employment in the province. Could the Minister indicate to the committee what his government's guidelines are that it follows in relation to an expansion of our manufacturing facilities? In other words, does he welcome each and every manufacturer who chooses to locate here, or does his government have a preference for manufacturers of certain commodities, or manufacturers of certain commodities locating in certain geographic areas of the province, or what?

So could the Minister indicate what guidelines, if any, the government has with respect to its involvement in the encouragement of the expansion of manufacturing facilities in our province?

MR. CHAIRMAN: The Honourable Minister.

MR. JOHNSTON: As I said, we have no policies on how or how much of a grant would be made available. You can do grants, no matter how you do it, can be grants; it could be a tax concession; it could be anything. It would be, as I said, negotiated.

The honourable member wants to know our preference. It's the food products industry; the light machinery industry; the transportation equipment industry; the aerospace industry; the health care products industry; and the electronics industry especially. We would also break that down to those industries who would use our forest products, our industrial metals, our industrial chemicals that are here now, and ferrous metals and non-ferrous metals that are part of the Manitoba resource. Those are the bases of judgement that we would enter into negotiation. Then you have the furniture and plastics, which we are proud of here, and there is the fashion industry.

I might just correct, I wasn't wrong in what I said that there were no grants, there was an amount of money negotiated by the previous government for 75,000 to go to the Manitoba Fashion Institute that was paid out over a three-year period — this is the last year — to help the Fashion Institute work with the fashion industry to advise them on production lines, what they needed to upgrade, what things are properly made in certain plants, etc., and that was done, Mr. Chairman. But we have a definite direction as to the type of industries we want in Manitoba and, as I told the honourable members earlier, high technology jobs and especially in industry that is not going to be here today and gone tomorrow. We wouldn't presume to spend the people of Manitoba's

money if we didn't think it was going to be an industry that would be here for a long time and be in a stable manner.

MR. CHAIRMAN: The Honourable Member for Burrows.

MR. HANUSCHAK: I believe I had asked this question of the Minister earlier in his estimates and he had indicated to me at that time that this would be the appropriate point at which to raise this matter. Could the Minister now provide us with an up-to-date report or progress report on a program which he had wanted to launch and develop, and which he defended so vigorously and enthusiastically in Selkirk at a Chamber of Commerce meeting not long after he was elected to government, and I'm referring specifically, to his bird care program, which seemed to have ranked priority at that time. You know, birds before people. And for some reason he became very concerned about oversexed canaries and constipated budgies and whatever else was mentioned on the questionnaire form which he had distributed in all the pet shops in Manitoba.

Now, as I understand it, the Minister is still very excited about that program and about a year-and-a-half has gone by since the survey was done, and perhaps the Minister could indicate to us when could the pet owners of the province of Manitoba look forward to reaping the benefits of his bird care program, which he was so concerned and so anxious to launch. He took a very systematic and a methodic approach to the whole thing. He wanted to satisfy himself as to the exact numbers of pet birds in the province and the exact types of ailments that they're suffering from, and then to tailor a bird care program accordingly.

So perhaps the Minister could now, it being 18 months later, provide us with an up-to-date report as to whether this is still a priority matter with the Minister, or has he scrapped his plans for the program, or what?

MR. JOHNSTON: If the member would write this down, on February 23, 1979, Page 208 in Hansard, I answered all those questions, Mr. Chairman. We only had to do with the survey. We provided a service to somebody in the province of Manitoba, a resident of Manitoba. We are there to provide services, and we intend to.

I might just say, Mr. Chairman, that it is rather disappointing — I didn't pay any attention to it out of sheer respect for this House, Mr. Chairman, a bird whistle in this House when I started my estimates the other day from the Honourable Member for Burrows. I didn't pay any attention to an off-colour joke — I told one once in this — not as bad as his last night, and my House Leader checked me up very early when I was a member in this House, and it's very disappointing to me that a person who sat in the highest Chair in this Legislature, Mr. Chairman, would resort to the type of antics that we have had from him so far during my estimates.

MR. CHAIRMAN: The Honourable Member for Brandon East.

MR. EVANS: I would like to ask the Minister a question about K-Cycle. I appreciate the grant was probably a grant for technological advancement, but what I wonder is, what is the advantage to the province of Manitoba in supporting K-Cycle? Number 1, I want to make it clear, Mr. Chairman, that I think the people around that development are good people and I'm glad to see that kind of development. They've worked on it for many years, and we need these kinds of development to cope with continuing energy shortages, so don't think that I'm against this development. But what I am concerned about is this, Mr. Chairman, putting moneys into a development for the sake of that development. My understanding of moneys paid out through the Manitoba Research Council or through any division or branch of the department was that those moneys would stimulate jobs in the province of Manitoba, that they would stimulate industrial development in province of Manitoba, not to stimulate an energy efficient project. There may be argument for that to be done through the Ministry of Energy and Mines, but not through an Industrial Development Agency such as this department, which is concerned with creating jobs in the province.

I recall considering this matter some years ago, and the advice I got from the department was, we should not put money into this because it had no commercial application in Manitoba. That was the advice I got, that we should not support K-Cycle, not that it wasn't a good idea, not that those weren't good people and that they had something going, but there was the very, very remote possibility of that engine ever being produced, manufactured in the province of Manitoba. You may develop it to a point, and then it could very well be used for manufacturing in Detroit or Windsor, or some such place, which is fine; I'm not against seeing the utilization of an energy efficient engine. I might add, there are some other developments in energy efficient engines elsewhere on the continent and in western Europe as well, but nevertheless, what I don't understand is, what is the basis for an industrial development agency to finance this project, worthy as it may be, when there are very limited — unless something has happened — where there seems to be virtually no job opportunities to spin off from this.

I repeat, the information I had some years back when we considered this was that we shouldn't provide moneys because there weren't commercial applications in the province. I think that's a serious question that the Minister should address himself to. I repeat, K-Cycle is a good thing, I'm glad to see it developed, I want to see it proceed, I want to see it succeed, but please tell me, what are the commercial applications in the province of Manitoba? Where are the jobs going to rise out of this particular commercial application?

MR. JOHNSTON: First of all, Mr. Chairman, the member says, has no application in Manitoba. It would be very nice to have the K-Cycle engine manufactured in Manitoba and shipped all over the world. That's a consideration. The member practically answers his own questions. He likes it on one hand, but trying to find something wrong with it on the other hand.

We will have, Mr. Chairman, a test stand for engines which can be available to anybody in Manitoba; that's part of the agreement. It's a technology situation, we worked with the Department of Energy on it, and it was decided that the K-Cycle engine needed that type of a facility because they were outgrowing the facility at the University of Manitoba. And it strengthens our technological base as well.

The use of the test stand is one that — I don't know whether the honourable member realizes that the reason that Standard Aero Engine is the company it is today is because they bought the old test stands from Air Canada, which put them in the business of being able to manufacture and test engines. Without test stands, you are not in any shape at all to be able to do it. So the K-Cycle is a person who started in Manitoba; he has done everything possible to stay in Manitoba and he is doing excellent work. He has people from all over the world examining that engine. It's something that we, as Manitobans, should not allow to leave here. By granting the 300,000, we have provided the needed test stands and by doing so, we have a contract that says that it is part our technology, the same as our new technology centre, a building available for Manitobans to use to help the technology in the province of Manitoba, which in turn will create jobs. We are trying to have high technology jobs.

MR. EVANS: Mr. Chairman, the Minister makes the same kind of speeches that I used to make. We want to have high technology jobs. Sure, we all do. But when you talk about the industrial centres, the technology centres that moneys are now being put into, the food technology and other technology, surely the point of funding those centres is that there is to be a commercial application, a direct commercial spinoff, if you will, from that expenditure. It is not an easy job; it is not an easy process. It is a long-term process, I realize that. I don't expect any immediate results to come out of that food products technology centre in Portage, for instance, but I support the idea.

On the other hand, Mr. Chairman, I repeat, I was advised that the likelihood of any commercial application — by commercial application, I mean taking that engine and manufacturing it in Manitoba was very very remote. I would like to ask the Minister to tell me, what are the chances, what are the possibilities of manufacturing that engine in Manitoba if you get through the final test stages and that it looks to be very applicable and economical? You see, it's one thing to have an engine that is satisfactory from an engineering point of view; it's another point to see whether it's satisfactory from an economics point of view. You not only have to have the technical characteristics that make it attractive, but you also have to have economic features that make it attractive so it will sell in the market, so that there is some commercial viability about it.

I repeat, I am not knocking the project. I am not trying to find anything wrong with it. What I am trying to clarify is a policy matter of spending a lot of money, a lot of taxpayers' money for a research project, a private research project, which may never have any commercial application in Manitoba, may never create any jobs in Manitoba, apart from one or

two people who are involved in the actual testing of the machine.

What I would like to know is what are the possibilities of the K-Cycle engine; where is the increased possibility of the manufacture now in Manitoba as opposed to three or four years ago when I was told there was virtually no commercial application in Manitoba?

MR. JOHNSTON: Mr. Kristiansen of K-Cycle Engines has obviously proved to people that advised the member three years ago, he has proved them wrong. He now has an engine working in an automobile. He has prototypes working on farm machinery and it's starting to show very good possibilities. If it does work out, and we would never have known if he didn't have the test stands, Mr. Chairman, the technology has all been developed in Manitoba and it's a matter of forming a production line to make the engine here and having it grow as they are required.

Should we have, with all the competition that I have mentioned around us, allowed Mr. Kristiansen to accept a grant from a place in the United States that would have built him test stands and let him finish his research in the United States? Don't we all realize that the United States at the present time is presently granting money to most anybody to develop energy-saving products? Should we have let K-Cycle leave this province?

We were able to give him a grant of 300,000, which was 60 percent paid for by the federal government, to continue his research with that engine in the province of Manitoba.

MR. EVANS: There is no point in asking any further questions, because I will never get the answer from the Minister as to the possibility of commercial application in Manitoba. Yes, we will have the research done here and that's fine. I repeat, I welcome the research, I welcome the progress, but I still don't see the commercial possibilities. I can't see an automobile manufacturing plant set up in Manitoba, for example. I can't see engines being manufactured. If I am wrong, fine, I would hope that I will be proven wrong, but I don't see that, and therefore I don't see the connection between an industrial development department giving a grant for pure energy efficiency research. I can see that coming through the Department of Mines and Energy as a pure research type of grant, but not from an industrial development department that's interested in getting jobs for people in Manitoba, in manufacturing.

I would like to go on to another specific industry, a specific company, Mr. Chairman, and ask the Minister about Tan-Jay Limited. I believe I have the correct name. A few months ago in the newspapers, it was reported that this particular garment industry was looking for a rural Manitoba location, and that while there were some laws under the Department of Municipal Affairs, The Municipal Act and so on, while there were laws in effect prohibiting municipalities from competing with one another for the same company, for the same plant, that that company could see ways and means of getting around those regulations.

I would like to ask the Minister whether his department is aware of this attempt to get around the laws of Manitoba, and just where does the department stand on this matter? Again, if Tan-Jay wants to expand in rural Manitoba, fine, we would like to see that, but I am concerned about the remarks that were made by a senior official of that company that those laws could be gotten around. It seems to me that that is self-defeating on the part of the municipal taxpayers of this province, which we also have to be concerned with, because the municipalities are the creature of the province and the province does fund municipalities to some extent.

So perhaps the Minister could advise whether his department is party to this attempt to get around — I trust not — to get around these municipal regulations against what I consider to be unfruitful competition, wasteful competition between municipalities.

MR. JOHNSTON: We didn't do anything to have somebody break the laws of the province of Manitoba, or encourage anybody to break the laws, or encourage any municipality to break the laws, Mr. Chairman. Tan-Jay were looking for an expansion. They looked at Dauphin and they looked at Selkirk. They looked at Ontario as well, and they looked at Quebec, where they have a plant, for this expansion. Ontario has a program to the fashion industry if they will locate outside of the major industrial areas, that there is a program of assistance for that in Ontario. Tan-Jay are still making a decision as to where they will put that expansion. We have had our development officer, Mr. Allden, working with them very closely, because we don't want to see it go from Manitoba, and that's where it stands at the present time. I believe, if it's in Manitoba, they would look at the viability, and I think possibly they would approach DREE for a Regional Development Grant, but they haven't made any decision at this time.

MR. EVANS: Another industry component is agricultural farm implements. I think the Minister has referred to them in past occasions, at least, as one area for a possible expansion and growth sector. I am wondering if the Minister can give us an update as to what's happening in this industrial sector, farm implements.

MR. JOHNSTON: Mr. Chairman, our farm implement business is growing. We have some layoffs in the farm industry business at the present time, in the farm machinery industry, because there is a tremendous inventory. If the members watched television the other night, they would have found that inventories are very high in the implement dealers' lots. The 20 million expansion of Versatile is certainly expansion in our farm machinery industry, the only tractor manufacturer in Canada. The spinoff from that is showing other people, or creating interest to other people to look at manufacturing farm machinery in the province of Manitoba, but at the present time, I don't think we can expect any increase in the farm machinery business in the province, but it is a good thing for us, and the people who make them realize it's a good one for us, but it's just not happening at the present time.

MR. EVANS: I agree. I think the farm implement industry is one industry sector that has some long-run potential. It is unfortunate, however, at the present time and, again, as the Minister indicated, that there are some layoffs in one factory and, I think, pending layoffs in CCIL, simply because of the drought. As we all know, if farmers are a bit leary as to where future income is going to come off, they very quickly defer decisions to purchase any additional farm equipment. So this industry is very very sensitive to farm income fluctuations and also the possibility of future farm income fluctuations and forecasts of what's going to happen in the future.

I think it is probably an area where there is a lot of potential because, as I understand it, there's no American tariff on farm implements and, as such, we have the ability to sell into the United States, and unless I don't understand something, I think it's virtually a free market for us.

It is rather interesting, Mr. Chairman, that over the years, Versatile has often said that they would move out of Winnipeg and establish in some locality south of the border; this has never come about. I suspect the reason is that there are some very fundamental reasons for farm implements to be manufactured in Winnipeg, in Manitoba; our labour force, our history of building farm machinery, and other features, I think, that provide some sort of a natural basis for this industry to flourish here. So I do look forward, in the long-run, to some development in that area.

I would like to pass on now to another industry sector which the Minister mentioned in his earlier remarks this morning, and that is the furniture industry. He saw there is possibilities of current expansion in the furniture industry. I would like to know, just what is the basis for that expansion? It seems to me that the rate of household formation is one key feature in the demand for furniture. If you have new households being formed rapidly, then of course you have a demand for furniture and, in fact, all kinds of items that a household requires. It seems to me that furniture is very very related to household formation. We know that household formation is lagging now in the province of Manitoba. We know, however, that there is increasing population in Saskatchewan and Alberta. My question then, what is the basis for possibilities? Why are we so hopeful of furniture manufacturers being able to expand at the present time in Manitoba? Is there some special reason why we have an ability to grow in that industry?

MR. JOHNSTON: Mr. Chairman, in 1979, the furniture industry in Manitoba grew by 28.2 percent, when the Canadian average was 14.8. To date, in 1980, the furniture industry in Manitoba has grown by 17.1, with a Canadian average of 6.9, which really means that the furniture industry in the province of Manitoba, and if you go over to De Fehr's or any of those new beautiful factories, that new one that we opened up last year, they ship and export furniture to many markets, Mr. Chairman. And if the honourable member thinks that a company that comes to Manitoba is going to survive on a million people on that size of an industry, I think the honourable member has got to realize that that's just not going to happen.

Now, the whole basis of building up your manufacturing industry is to supply Canada, North America, and any place you can in the world, as a matter of fact, and we do have an excellent furniture industry, anything from chairs to kitchen cupboards, if you want to put it that way. When you take a look at the expansion of the factory that I was at in Steinbach last week, Loewen Brothers, it's just amazing how much woodwork that they ship out of that particular factory.

Mr. Chairman, the honourable members have to realize that Manitoba, with its geographical position at the present time, if you drive 500 miles a day for three days, you'll be on the outer rim of the North American continent. Our shipping position is excellent. Our labour force is good. They are good working people. Manitobans have accomplished an awful lot. I can tell the honourable members that we have never had, in our lives, the market to the west of us that we have at the present time, and Manitoba has a much larger manufacturing base than Saskatchewan, or Alberta. We're about the same as Vancouver, or B.C., because they have good manufacturing facilities because of the marine industry, but we still outdo them in furniture and many other commodities.

Now, it is estimated that in the '80s, Mr. Chairman, by the Investment Dealers of Canada, and this is a mind-boggling figure, that there will be 1.3 trillion invested in Canada, and approximately 50 percent of that investment will be in western Canada, and we're only 30 percent of the population of Canada. Now, manufacturing in Manitoba is very desirable, and if anybody has any belief that the furniture manufacturing industry, with the size of plants that we have here, survives on just Manitoba business, they are absolutely wrong, and they are looking to that market to the west of us and to the south of us, and aggressively moving to go after it, and we are working with manufacturers to try to accomplish that. The furniture industry is a good industry in the province, and we have a good resource for the furniture industry, Mr. Chairman. We have very good resource for the furniture industry for manufacturing it.

MR. EVANS: Mr. Chairman, the Minister doesn't tell us anything new when he says, well, don't look at the Manitoba market, look at markets beyond Manitoba, of course. Perhaps the Minister could tell us just what percentage of the furniture manufactured in Manitoba last year, just approximately, what percentage is sold out of the province? I would dare say there are two factors that would stimulate sales out of the province. Obviously, one is increasing incomes in Alberta and Saskatchewan, but also, what has given us the stimulus in the American market, is devaluation of the dollar. You can buy Canadian merchandise for a lot cheaper, an 85 cent dollar buys you a lot more furniture than 100 cent U.S.-Canadian dollar. And there's no question that the devaluation of the dollar, while it has stimulated inflation in Canada, nevertheless has given a shot in the arm to the manufacturing industry, right across Canada, including Manitoba, which is good. I think it would be interesting to see, of the exports out of Manitoba, how much went to the western provinces, and how

much of that export went to the United States. I remember some years back, the De Fehr Company, which is in the furniture business, did sell a considerable amount of furniture to the twin cities' market, and I believe they set up a large wholesaling establishment there as well, or a large warehouse to facilitate their sale of furniture, because they were so successful. This goes back a number of years ago.

So I wonder if the Minister could advise where the expansion is. It surely couldn't be within the province. It must be additional sales to Alberta and Saskatchewan in particular, and sales south of the border. I would not be as optimistic about selling from Winnipeg in the Toronto market. That's a little much to ask. It could happen, may happen, but the costs of transport are very high, and I just don't see that it's as practical for us to try to sell furniture in central Canada. It's almost like taking coals to Newcastle.

One advantage — it's a disadvantage in one way, but it's an advantage in another way, and that is, Manitoba's industrial wage tends to be lower than the industrial wage levels of all prairie cities and most Ontario cities, and therefore we are able to produce products with a lower labour cost input, and as a result, are manufacturers of furniture, which I submit tends to be a labour intensive industry to some degree, do have an advantage on that account. So I wonder if the Minister could answer that question, just where are the additional sales? They're up 17 percent thus far this year, where is the additional sales?

MR. JOHNSTON: Mr. Chairman, the member keeps agreeing that it's desirable to manufacture and ship out of your province. We make, in Manitoba, or manufacture in Manitoba, 49.6 percent of all the furniture sold in western Canada. There are approximately four million people in western Canada, or in the prairies, pardon me, so that means that we are supplying about 2.5 million people with furniture, and we're only a million people in Manitoba, so we are encouraged to build up our furniture industry, and if you have a furniture industry that can do that, then you have a furniture industry that is prospering, and you have a furniture industry that will probably start to sell into other areas.

I would invite the honourable member to go over to the showroom at De Fehr's and take a look at it and ask them how many buyers come from all over North America to come and see that showroom. They actually closed their showroom in the Mart in New York to have their showroom here in Manitoba, Mr. Chairman, and the furniture industry does very well. I think it's the most desirable thing in the world to have manufacturing in the province of Manitoba, which is exported. I can't think of anything better. It creates jobs and it creates high technology jobs.

MR. EVANS: Because of the noise, I didn't hear everything the Minister said, but specifically, what percent of the furniture made in Manitoba is exported to the United States? I'm not sure that he answered that question. If he can't give me a precise, could he give me a ballpark figure? Is it 25 percent, is it 10 percent, 15, roughly, how much of the furniture made in Manitoba is sold in the United States, let's say last year?

MR. JOHNSTON: Those figures are available, Mr. Chairman, and my staff will have it for the honourable member and see that he has it on Monday.

MR. EVANS: I'd like to pass on to another industry. —(Interjection)— It's not my intention to ask many more questions of this section, but I have three or four, Mr. Chairman, and I guess they'll carry over to the next day. The first one is regarding Sekine, and I'd like to ask questions next day on Sekine.

MR. CHAIRMAN: Order please. The hour is now 12:30, Private Members' Hour. Committee rise. Call in the Speaker.

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

IN SESSION

MR. DEPUTY SPEAKER: The Honourable Member for Virden.

MR. McGREGOR: Mr. Speaker, I move, seconded by the Honourable Member for Portage la Prairie, that the report of the Committee be received.

MOTION presented and carried.

MR. DEPUTY SPEAKER: The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, I move, seconded by the Minister of Government Services, that this House do now adjourn.

MOTION presented and carried, and the House adjourned and stands adjourned until 2:00 o'clock Monday afternoon.