

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 1 June, 1982

Time — 2:00 p.m.

MR. ACTING CLERK, G. Mackintosh: It is my duty to inform the House that Mr. Speaker is unavoidably absent and would ask the Deputy Speaker to take the Chair in accordance with the Statutes.

OPENING PRAYER by Mr. Deputy Speaker.

MR. DEPUTY SPEAKER, J. Storie: Presenting Petitions . . . Reading and Receiving Petitions . . .

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

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

MR. H. HARAPIAK: Mr. Speaker, the Committee of Supply has adopted certain resolutions, directs me to report the same and asks leave to sit again.

I move, seconded by the Member for River East, that the report of the Committee be received.

MOTION presented and carried.

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

ORAL QUESTIONS

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

HON. S. LYON: Mr. Speaker, I have a question for the Minister of Labour. Number one, we heard last evening a report from the President of the Manitoba Government Employees Association outlining the settlement which he was announcing, subject to ratification, by the membership of that Union for a two-year agreement. I wonder if the Minister of Labour could confirm the figures that were used by Mr. Doer; namely, that the first-year settlement would be for 10 percent plus \$600 per employee which, according to Mr. Doer, worked out to something in excess of 13 percent for the first year, and that for the second year of the agreement the proposed settlement was for the CPI for the City of Winnipeg - the cost of living for the City of Winnipeg - plus 1.5 percent.

MR. DEPUTY SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: No, Mr. Speaker, the first-year settlement is the proposed settlement, the tentative settlement - and of course it's subject to ratification - is 10 percent plus \$600 which works out to just under 13 percent on average. Some employees would receive more; the lower paid employees would receive more; higher paid employees would receive less. With respect to the second year, the Leader of the Opposition is correct.

INTRODUCTION OF GUESTS

MR. DEPUTY SPEAKER: Before we deal with Oral Questions, if I might introduce some guests and visitors in the gallery.

I'd like to direct the members' attention to the gallery, where we have a group of 13 senior government officials from Anguilla, Dominica, British Virgin Islands, Montserrat, St. Kitts, Nevis, Grenada, St. Vincent and St. Lucia.

The Eastern Caribbean and Manitoba officials are participating in a program sponsored by the Canadian International Development Agency entitled "Management for Change." The Manitoba and Caribbean officials are paired for the precise exchange of information and procedures, in particular administrative and policy areas.

As well, we have a group of 23 students of Grade 6 standing from the New Bothwell School. These students are under the direction of Mr. Gorham and are represented by the Honourable Member for La Verendrye.

We have 8 students from the Souris Collegiate under the direction of Mrs. Forfar and these students are in the constituency of the Member for Arthur.

Finally, we have a group of 60 students of Grade 5 standing from the Edward Schreyer School under the direction of Mr. Kozusek and are represented by the Honourable Minister of Government Services.

On behalf of all the members of the Legislative Assembly, I'd like to welcome you here today.

ORAL QUESTIONS (Cont'd)

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

HON. S. LYON: Mr. Speaker, I wonder if the Minister of Labour could give the House the dollar value that is attached to this proposed settlement, which is still subject to ratification by the MGEA membership.

MR. DEPUTY SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: Mr. Speaker, I don't have the exact dollar value here. I'll take the question as notice and get the answer to the Leader of the Opposition.

HON. S. LYON: Well, Mr. Speaker, assuming that the figures given by the Minister of Labour during his Estimates, that the \$10 million in the Estimates represented about 3.5 percent, would it be safe to assume that in ballpark figures we're looking at a settlement, the cost of which is about \$30 million to the taxpayers of Manitoba?

HON. V. SCHROEDER: Mr. Speaker, I haven't worked out the exact number. It could be something like that in gross terms. I would point out to the Leader of the Opposition however, with people quitting their jobs, retiring, etc., that the actual figure will probably be somewhere in the range of a little better than one-half

of that, or less than \$20 million.

HON. S. LYON: Mr. Speaker, we'll be anxious to have the Minister report this figure to us and the particular kind of mathematical alchemy under which he arrived at a figure of something like \$30 million being halved as the cost for the settlement this year, that is, presuming that the figure he gave us during his Estimates of \$10 million representing 3.5 percent, if he can figure out that particular form of mathematics and then let us know the result, we will be quite happy.

Mr. Speaker, I wonder if the Minister could confirm as well, and he may well have to take this as notice, but according to my figures the settlement with the MGEA for 1977-78 was 8 percent - that was under the anti-inflation rate - for 1978-79 it was 6 percent, which was the last year of the anti-inflation scheme; 1979-80 it was 8 percent; 1980-81 it was 9.5 percent; 1981-82 it was 9 percent plus \$270 per employee, which worked out to about 10.5 percent. I would ask the Minister, No. 1, if he could get confirmation of those figures which are figures that we have record of; and No. 2, if he could then advise the House why it was necessary to settle it at approximately 13 percent this year, which appears to be a settlement well in advance of the cost-of-living increase for all citizens of Manitoba.

At the same time, a further supplementary, Mr. Speaker, why it is that the public service of Manitoba is settling wage agreements at a rate or a level well beyond what appears to be the settlements in the private sector?

HON. V. SCHROEDER: Mr. Speaker, we don't have a settlement yet, there is a vote coming on Monday. With respect to the percentages that the Leader of the Opposition referred to between '77 and '81, I believe that those are approximately accurate from my recollection of the history of bargaining during those years, but I note with some interest that the Leader of the Opposition, in using those numbers, didn't use as well the salary of the operating head of Hydro, didn't use the salaries that they negotiated as a government just last fall with the Manitoba Public Insurance Corporation employees at 14 percent; that's one point higher than this year's settlement.

Of course, he's also I'm sure, well aware that there are other public sector settlements which have already been made this year with teachers. We have a fair number of teachers within our own Civil Service component that were at 13 percent and more and if you compared those numbers to the numbers that he just read out for the last four years, you would get some ideas as to the history behind the rationale for our particular proposal with the MGEA. On the whole, Mr. Speaker, I believe it is a reasonable settlement in which there was a good deal of compromise on both sides.

HON. S. LYON: Well, Mr. Speaker, by way of preface I was asking the Minister only for the MGEA settlement for which he has direct responsibility. In our time, and I presume in the time of the present government, Hydro negotiates on its own, subject to notification of the government as to what is taking place.

Mr. Speaker, more importantly, the question I would have to put to the Minister of Labour who is responsi-

ble of course for the administration of The Labour Relations Act, and has at least a reporting responsibility to this House and the people of Manitoba for wage settlements occurring in the private sector, is the Minister of Labour satisfied that this kind of a settlement, which seems to be rather generous, lined up with other settlements that are occurring in the private sector where, unless the Minister is unaware of it, times are not at all easy and indeed cutbacks are taking place in some contracts and in some settlements, does he not feel that a settlement of this nature with the public service of Manitoba is setting rather a reverse example for what should be set for the total economic picture in Manitoba and indeed in Canada, and further having regard to the fact that at least three provincial jurisdictions have put ceilings on public service settlements and the Federal Government is talking very seriously about doing the same thing?

HON. V. SCHROEDER: Well, Mr. Speaker, I'm sure that as the Leader of the Opposition is aware, this matter is just now being taken to a vote by the MGEA, and I think it would be appropriate to wait with comment - and there is a good deal of comment that could be made - until after that vote has been taken.

MR. DEPUTY SPEAKER: The Honourable Member for Fort Garry.

MR. L. SHERMAN: Mr. Speaker, my question is to the Honourable Minister of Community Services and arises out of discussions in this House last week about a so-called policy decision with respect to work activity projects in the province. I would ask the Minister, who said at the time that a policy decision had been made and it was the justification for the summary displacement of Mr. Doug Wark at Westbran in Brandon, whether he has proceeded with separation of the two jobs in the other regions, the two jobs being work activity project manager and employment services co-ordinator, historically a dual position, Mr. Speaker? Has the Minister proceeded with the separation and splitting of those two jobs in the other regions?

MR. DEPUTY SPEAKER: The Honourable Minister of Community Services.

HON. L. EVANS: I am advised by my Deputy that the matter is in process.

MR. L. SHERMAN: Would it be safe to assume, Mr. Speaker, that the matter would be in process for a long, long, long time having suffered exposure through the Minister's folly at Westbran and that now those employment services co-ordinators and work activity project managers may be secure in their positions?

HON. L. EVANS: As we have explained before, we want to put more emphasis on putting welfare recipients who are employable to work. We have more money in the budget this year and we have some money in Supplementary Estimates and I trust that we are going to be able to put forward a greater effort to get more value for the taxpayers' money.

In that respect, Mr. Speaker, I am pleased to advise the member that we will be having discussions with all

key staff involved in this and I intend to visit the various projects about the province and intend to get more information to assure myself that the taxpayers of this province are going to get value for their money.

MR. L. SHERMAN: Mr. Speaker, why would the Minister be doing that now if the "policy decision" was made "several months ago?"

HON. L. EVANS: Mr. Speaker, this is to ensure that policy implementation does take place.

MR. L. SHERMAN: Mr. Speaker, can the Minister advise how the new work activity project managers in those other regions will be hired? How will they be sought out? Who will lead the list of candidates? How will the applications be handled?

HON. L. EVANS: Mr. Speaker, we will be making at least two announcements in the near future spelling out some of the details that the honourable member is enquiring about. You know, I'd like to advise the honourable members across the way that the individual they keep on referring to in Brandon used to be a card-carrying Conservative, a very staunch member of the Conservative Party up until a short while ago.

MR. L. SHERMAN: Mr. Speaker, if the Minister is intending to make two announcements with respect to each of those possible new administrative jobs and to conduct a search of candidates to fill them, would he consider rolling back the summary displacement of Mr. Wark and the summary hiring of Mr. Burke at Westbran and handling that project in the same prudent and fair manner?

HON. L. EVANS: Mr. Speaker, I can assure the honourable member that we're giving the entire matter priority consideration and we're spending a great deal of time on this. We will do what is necessary to make sure that we get a larger throughput through all the work activity projects and I make no apology, I think there is some value in having a person with business expertise involved in work activity projects.

Mr. Speaker, I suggested last week and I repeat again that it may be possible that we need a completely new thrust, which means funnelling in welfare recipients who are employable into private industry for training rather than in public works type of projects, which have tended to be the case in the past and which the honourable member should have known were extremely expensive. We find a case where staff are being maintained, salaries of staff are going up and yet the throughput of the participants is dwindling. Certainly it is a situation that demands attention and will get attention.

INTRODUCTION OF GUESTS

MR. DEPUTY SPEAKER: I wonder if I could interrupt again, we have two distinguished guests to the loge on my left. We have Mr. Jake Froese, the former Member for Rhineland and Mr. Morris McGregor, the former Member for Virden.

As well, we have a group of eight students in the gallery who have just arrived. I announced them ear-

lier but they were not in the gallery. These students are from the Souris Collegiate under the direction of Mr. Forfar and are represented by the Honourable Member for Arthur.

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

The Honourable Member for Fort Garry.

ORAL QUESTIONS (Cont'd)

MR. L. SHERMAN: Mr. Speaker, I'd like to ask the Honourable Minister of Community Services whether he can confirm that, in fact, the productivity of the Westbran project is not significantly down from previous years and that the Minister never discussed this concern of productivity with senior officials of his Employment Services Division. —(Interjection)— His wife, but he never discussed it with senior officials of his Employment Services Division, Mr. Speaker.

Well, Mr. Speaker, then I put another question to the Minister and ask him whether he can confirm that when he told the House last week that Westbran's client enrolment had dropped off from 396 in 1974-75 to 56 in 1981-82, that he was using a 12 month total figure for 1974-75 and a 3 month figure for 1981-82.

MR. DEPUTY SPEAKER: The Honourable Minister of Community Services.

HON. L. EVANS: Mr. Speaker, my arithmetic is as good as the members opposite any day and the 56 figure is a 12 month average. I was given the data; we double-checked it and we triple-checked it and the 56 is a 12 month average, which means that, on a participant basis, it cost the taxpayers over \$12,000 to put — and that, Mr. Speaker, doesn't include all the support services that come from community colleges, other agencies and so on. So the real cost is far more than \$12,000.00. I calculated, Mr. Speaker, if you took those people and you paid them all the new minimum wage that was announced, we could have 50 percent more occupied 12 months of the year and they'd get over \$8,000 a year. As it is, the participants at that project got barely over \$3,000 on average in the year 1981-82, but the figure 56 was double-checked and that is the correct figure, as far as the information is concerned, given to me by my staff.

MR. L. SHERMAN: Mr. Speaker, I would ask the Minister to triple-check then, if he has only double-checked. The figure 56 represents the period January 1st to March 31st, 1982 and even so, Mr. Speaker, if he wants to take is on a 12 month average, then take everything on a 12 month average. Fifty-six on a 12 month average used the same way he used the 396 would add up to 672; 56 for each of 12 months. That is how he got his figure of 396 for 1974-75. —(Interjection)— I don't need a better leak, Mr. Speaker. This is information from the department which the Minister knows and the Minister purposely used selectively.

Mr. Speaker, can the Minister confirm for example, that when he gave the figure 85 people for 1980-81, that the 85 only represents the people that were taken on new in calendar year 81 and does not include those enrollees and participants that were already in the course at the time that those new figures and new

members were taken on.

HON. L. EVANS: Mr. Speaker, I was given a set of figures by key people in the department and the figures, as I understand, were given to me on a comparable basis, so I would think that the information is consistent and comparable. In fact, I am convinced and there's no question in my mind, that the participation has fallen off rather dramatically in the past four to five years and that to me, Mr. Speaker, in this day and age of increasing welfare payments, is a very, very sad thing.

MR. L. SHERMAN: Well, Mr. Speaker, can the Minister confirm that he used these exact figures last month, in May, in a speech in Brandon and that he was corrected on them by his officials at that time; that the discrepancies were pointed out at that time and he got up in the House last week and used them again, with the same discrepancies in them.

HON. L. EVANS: Yes, I . . .

MR. DEPUTY SPEAKER: Order please. Order please.

HON. L. EVANS: Mr. Speaker, I made no public statement or speech in the City of Brandon on the date that the member refers to, but I did have a private, confidential meeting with the new board advising them of my serious concern about the problem that I've described to the honourable members and, indeed, there was a reference made to the numbers, whether they were higher or lower or what have you and, as a matter of fact, this is the reason we triple-checked and found out that 56 was an accurate estimate. I haven't been told otherwise since I made that statement by anyone. —(Interjection)— Yes, I've asked.

MR. DEPUTY SPEAKER: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Speaker, my question is for the Minister of Energy and Mines.

Can the Minister of Energy and Mines advise the House how many people have been laid off as a consequence of the unfortunate closing of the two mines by Hudson Bay Mining and Smelting in the Snow Lake area.

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

HON. W. PARASIUK: I'll have to take the question as notice. My understanding is that these are contract miners; I'll take the question as notice and I'll get back to the member.

MR. B. RANSOM: Mr. Speaker, I expect contract miners have to eat too.

A question to the Minister of Finance, Mr. Speaker. Yesterday I tabled a letter in the House which was addressed to the Minister of Finance. It came from the St. John's United Church and requested an exemption from the payroll tax which the Minister has imposed in his Budget, and which the Church regards as a very unfair tax, adding insult to injury.

Has the Minister yet responded to that letter and if so, can he advise the House the nature of the response.

INTRODUCTION OF GUESTS

MR. DEPUTY SPEAKER: Before the Minister answers the questions, I'd like to direct members' attention to the Speaker's Gallery where we have the presence of Her Honour, the Lieutenant-Governor.

The Honourable Minister of Finance.

ORAL QUESTIONS (Cont'd)

HON. V. SCHROEDER: Thank you, Mr. Speaker. Yes, I have received that letter and I have prepared a response which I expect will be going out shortly. I've explained to the Church that over the next five years, we have lost some \$719 million in funding for Post-Secondary Education and Health and we have had to seek ways of replacing that particular loss and we have come to the conclusion that, in general, the levy which we have proposed is one which is more fair to Manitobans than any alternative levy.

We have pointed out, as well, that one of the alternatives would be the Ontario alternative where employees of churches are taxed at up to \$648 per employee for just their medical care premiums on their own and that, in fact, if we had taken that alternative, they would also have had to discuss, in all likelihood, compensation with their employees because as fair employers I am sure that they wouldn't want their employees to take that kind of burden, Mr. Speaker.

I am in the process of explaining as well that we could have chosen other alternatives such as the sales tax increase which would have been devastating, just absolutely devastating, to the small retail trade sector in this province; which would have been devastating especially to the rural towns in Western Manitoba who came to my office, whose municipal officials and Chambers of Commerce came to my office, asking that we try to do something that wouldn't put them in a totally noncompetitive situation with their neighbours.

I have pointed out again that tax is one which provides support for all Manitobans for that health care. All Manitoba employers get benefits out of that health care system; we feel that all employers must share in the burden now of paying for that system.

I will also repeat again here today that if we receive the \$719 million back which was taken away that we will eliminate the tax. The tax is there as a replacement for lost funds. If we get the funds back we will eliminate the tax.

MR. DEPUTY SPEAKER: The Honourable Member for Kirkfield Park.

MRS. G. HAMMOND: Thank you, Mr. Speaker, my question is to the Minister of Finance. Has the Minister received a letter from St. Chad's Anglican Church asking him to adjust the legislation as it pertains to the 1.5 percent payroll tax?

MR. DEPUTY SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: That particular letter hasn't

been brought to my attention yet, Mr. Speaker, but if and when it is, I can tell the honourable member that my response to the church will be an explanation that is very similar to the explanation I made in answer to the previous question, that is, that we have lost \$719 million over the next five years for the purposes of Health and Post-Secondary Education. —(Interjection)— It is very clear that members opposite are having great difficulty in understanding exactly what it is that this tax is all about and why it was required; I am trying to explain it. I see the members are getting restless —(Interjection)— maybe, what I'll do is just refer the member to my previous answer.

MRS. G. HAMMOND: Yes, Mr. Speaker, I would be happy to table a copy of the letter for the Minister's information.

In light of the fact that churches and nonprofit charitable organizations do not file a federal tax return, would the Minister confirm that this 1.5 payroll tax is double taxation?

HON. V. SCHROEDER: Mr. Speaker, I had indicated in answer to the question from the former Minister of Finance that we did have an alternative. An alternative was to charge up to \$648 per year to employees of those very same churches who would have to pass that one, surely, to their employers. I am sure that the churches are as good employers as others, for instance, the Federal Government; for instance, the average employer in the Province of Ontario who pays more than 70 percent of that Medicare premium down there. So if we had set up a program similar to Ontario's, and assuming that churches are employers who are as concerned as the average employer about the welfare of their employees, then 70 percent of this would have come from the employer in that case as well.

I should also point out that when the member refers to double taxation that, in general, the funds which the church pays to its employees are not funds which have been taxed; that is, they were deductible from the donor's income for tax purposes and therefore there was no income tax to the province on that particular income.

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

MR. G. MERCIER: Mr. Speaker, a question to the Minister of Finance, could the Minister of Finance advise as to the number of employers who are making arrangements to convert their employees into independent contractors in order to avoid payment of the payroll tax?

MR. DEPUTY SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: We will take a look at any changes and we will, of course, respond in the appropriate way if there are any difficulties with respect to the collection of this particular levy. The levy is there for the purpose of ensuring that we have funds to protect the integrity of our health and post-secondary education system. I would assume that

Manitoba employers are not going to act in an irresponsible fashion, no more than the employers in Quebec responded in an irresponsible fashion to a tax which, incidentally, is double the amount of this tax at 3 percent of payroll.

Well, I wouldn't expect that the Tory prophets of doom and gloom are very likely to be correct in assuming that employers in this province are going to be somehow devious and try to avoid their responsibility to pay their fair share for two systems that are indeed expensive, are some of the best of their kind in Canada, and systems that we want to keep, in effect, in the equality way and the way in which we are again beginning to build it up after four years of neglect.

MR. G. MERCIER: In view of the fact that the Minister calls his payroll tax a levy for health purposes, would he exempt the League for Life, Mr. Deputy Speaker, whose main objective is the preservation of health — the children?

HON. V. SCHROEDER: Mr. Speaker, I couldn't think of an organization that ought to be more willing to pay for exactly that preservation of health which our system so well provides in this province. That league must surely be aware that there are millions of dollars spent in Manitoba every month on the preservation of life and limb and they are one of the organizations that I am sure will be delighted to pay their fair share, not more than their fair share, just their fair share of the amount that we have had to tax by reason of a cutback in transfer payments.

I say again to the Member for St. Norbert that we will remove this tax if we receive a similar amount of money back, that is the \$719 million which is a decrease in transfer payment, if we receive that back then we will eliminate this tax.

MR. G. MERCIER: Mr. Speaker, in view of the Minister's answers then, could he confirm that his payroll tax is indeed a health care premium?

HON. V. SCHROEDER: Mr. Speaker, it is a levy directed at all employers in the province for the purpose of our Health and Post-Secondary Education system.

MR. G. MERCIER: Mr. Speaker, I have a final question for the Minister in his other capacity as the Minister of Labour. Mr. Speaker, the criteria for the Minister's Career Internship Program makes employers with ten or more staff ineligible for the program.

Mr. Speaker, I've received some correspondence from a constituent who operates a service station who has - besides the owner and his wife, who's a book-keeper - 4 additional full-time staff plus 4 part-time staff who work 12 to 18 hours per week. The total is 10 employees which makes them ineligible, but would the Minister agree to review his criteria because this particular employer has participated in the youth employment programs during past years and having 6 full-time employees plus 4 part-time employees, who only work 12 to 18 hours, I think shouldn't make them ineligible for the program?

HON. V. SCHROEDER: Well, Mr. Speaker, if the

member would send the information to me, I'd be glad to take a look. As I recollect the criteria when they were originally drafted, it was simply 10 employees and I believe that it was assumed that it would be 10 full-time employees. If there's some area for doubt and if, of course, the employer qualifies in terms of having a program which is eligible in itself for the program, then I would undertake at least to review that issue in that case.

MR. DEPUTY SPEAKER: The Honourable Member for Morris.

MR. C. MANNES: Thank you, Mr. Speaker. I'd like to direct a question to the Minister of Natural Resources. On April 27th, I gave notice by way of letter to the Minister regarding a tile drainage problem in the Gainsborough area south of Portage la Prairie. As domestic wells continue to drop in the area, can the Minister now indicate what his department has done to address that particular problem?

MR. DEPUTY SPEAKER: The Honourable Minister of Natural Resources.

HON. A. MACKLING: Mr. Speaker, I thank the honourable member for having given me notice of the question. I have sent a letter to the member, but perhaps it would have been better if I'd hand delivered it to him but it has gone.

In the letter it does point out that this is a matter of a longstanding problem. This development took place some time ago when this tile drainage was put in and it was established without the concurrence or without the approval of the Department of Natural Resources under the previous administration. So the department —(Interjection)— no, the department was not involved in that, but we have monitored the flows from the drainage and it does not appear that there has been any marked decline in the watertable in the area. Now, of course, this is subject to continuing concern and we will continue to monitor the situation there.

MR. C. MANNES: Well, thank you for the answer, Mr. Speaker. In view of the fact though that Mr. Martin, some two miles removed from this particular section of land has had a dry well since December, and people in the area indicate that in fact a vast number of trees have died over the last two years, could the Minister indicate whether his department will do anything more than monitor the situation or will an attempt be made to prevent large outflows of subsurface water from the area?

HON. A. MACKLING: Well, Mr. Speaker, let me clearly indicate that I see the development there was not carried out, I make this clear, with the approval of the then administration, the former government or its staff. We have been concerned because of the complaints; we have looked into them. The reports we've received have indicated there doesn't seem to be any great problem at this time.

In the whole area, the whole of southwestern Manitoba, there is a problem because the area has been a subject of extensive drought conditions. We haven't had the normal replenishment of the water table in

that area, so there is a problem of the declining water table because of drought conditions, but whether or not the change in the ground water in that area is attributable to the drainage system that was employed by that private development, my department is not very conclusive about their review. I've asked that they continue to monitor that situation.

MR. C. MANNES: Mr. Speaker, inasmuch as the residents of that area are themselves convinced that the tiled drain section in question has some direct bearing on the dropping of their wells and as officials of the Department of Natural Resources were out in attendance and met most recently with the people concerned a year ago, will the Minister endeavor to have people within his department again meet with the local people and explain to them firsthand the situation?

HON. A. MACKLING: Yes, Mr. Speaker, I want to clearly indicate to the honourable member that I am prepared individually, and personally, when I have an opportunity, to personally deal with some of those complaints and investigate them, because I'm prepared to do that. I will respond to the needs of Manitobans wherever they are and I'll certainly be concerned that my staff continue to monitor that situation.

MR. DEPUTY SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Deputy Speaker. My question is for the Minister of Finance. In light of the obvious concern for auto salesmen demonstrated by his colleague, the Minister of Community Services, in his recent hiring practices, has the Minister of Finance and his staff had an opportunity to provide information and support to the commissioned auto salesmen in the Province of Manitoba who are being reassessed by the Federal Government for taxation in several years past?

MR. DEPUTY SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: Mr. Speaker, as I understand the problem, the Federal Income Tax people have reassessed a number of sales people in the province because they have deducted items which the federal people view to be not deductible in that they were expenses not incurred for the purpose of earning an income. As the member knows, the people involved do have the right to appeal that ruling to the Tax Appeal Board and there are other processes after that, regular legal processes. They have had several discussions with members of my staff and I believe that there was communication within the last several weeks, but I could undertake to provide the member with a fuller report at a later time.

MR. D. ORCHARD: Well, thank you, Mr. Speaker. A supplementary to the Minister of Finance. It's my understanding that this reassessment is predicated on a new interpretation made by the federal officials and that this interpretation contravenes some assessments made over the past several years. In view

of that information that so many people are affected, has his departmental staff made representation to the federal department and voiced the province's concern that their interpretation is not a correct one since all interpretations of The Income Tax Act are subject to varying opinions?

MR. DEPUTY SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: Mr. Speaker, if the interpretation of the Income Tax Department is incorrect, then I'm sure that the Tax Appeal Board will so find and if they don't, then the other - I believe it winds up finally at federal court levels and Courts of Appeal. I do not believe that there have been any representations made from my department to the federal department suggesting to them that they should change their interpretation.

I know I had written a letter some time ago asking a particular representative of that organization whether, in fact, he had been assessed using a different type of interpretation in the past and whether there were any interpretation bulletins out by the Income Tax people indicating that at one time in accordance with their interpretation bulletins they, in fact, were assessing differently than they now are. I don't recall having received an interpretation bulletin from either that individual or from my officials indicating that type of income had in the past been treated differently.

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

MOTION OF CONDOLENCE

MR. DEPUTY SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Deputy Speaker, I would like to now offer a few words in respect to the condolence motion, that notice was given of yesterday during the Question Period.

As we all recognize, we have had the untimely death of our Clerk of the Legislature and we all are most anxious to pay tribute to one who was a loyal and a faithful servant of the Province of Manitoba. Mr. Deputy Speaker, I'd like to also point out and to mention, indeed to welcome, the presence of Her Honour, the Lieutenant-Governor, who was a very close, intimate, personal friend of the late Jack Reeves. I'm sure that all members join with me in welcoming her attendance during the paying of this tribute.

Jack Reeves sat in the Legislature as a servant for 19 years. He was appointed Deputy Clerk of the Legislature in 1963 and held that position continuously until he was appointed Clerk in 1973. I think it's fair to say that he came to know the Assembly, the character of our debate, our moods and even what we were likely to do in either committee or in debate probably better than anyone else in this Chamber. During his years of long service he saw different faces come and go; he saw governments come and go. In fact, there is none among us today that sat longer in a continuous fashion as a Member of the Legislative Assembly during those 19 years. Jack Reeves was Deputy Clerk,

then Clerk of the Assembly. Indeed, there are only two members among us today that were sitting here when he first took up his duties at the table.

Jack Reeves served during five different governments; yet, it is a mark of the man that he did not use his great experience and seniority as a barrier; he was always approachable. He was willing to listen to the most junior members of this Chamber, just as he was to the First Minister and to the Leader of the Opposition. We all came to realize and we all knew that he knew the Rules and the operation of the House as well as anyone and that his advice would be most valuable.

As one of many who worked with Jack Reeves while in Opposition, then again in government while an MLA and as a member of the Treasury Board, I was always struck by the fairness of his attitude. He did not differentiate between the various political parties in the execution of his duties, nor did he demonstrate any favouritism either toward the Government nor to the Opposition. He was a loyal servant of us all and of the legislative tradition that we now represent.

I think it's significant that Jack Reeves served 21 years in the Canadian Army before he became a public servant of Manitoba in 1960 when he took a job with the Department of the Provincial Secretary. There have always been occasions that bring credit to no one in this Chamber from time to time and in this institution that the participants indeed look back upon with regret. Jack Reeves did not permit those incidents to harm his duty in his loyalty to the Assembly. In those difficult times he indeed soldiered on knowing that there would be other occasions when we all would meet and gain, indeed, the highest standards of parliamentary tradition.

Jack Reeves spent his entire career serving his country and his province in tasks that are done best when the doer himself, or herself, is invisible. He maintained that low profile continuously, immensely, to the effective operation of this Chamber. It's tragic that he was never able to enjoy years of retirement. Yet, looking at the tremendous record of dedicated service that Jack Reeves has left behind, I'm reminded of Browning's words, "Life is perfected by death." Jack Reeves exemplified that most noble principle of public service; he died while serving as the Assembly's chief servant and true guide.

So, Mr. Speaker, I move, seconded by the Honourable Leader of the Opposition, that this House convey to the family of the late Jack Ross Reeves, who served as a Clerk of the Legislative Assembly of Manitoba, its sincere sympathy in their bereavement and its appreciation of his devotion to duty in a useful life of active public service and that, Mr. Speaker, be requested to forward a copy of this resolution to the family.

MOTION presented.

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

HON. S. LYON: Mr. Speaker, I am honoured to second the resolution and to associate my colleagues and myself with the remarks of the First Minister. I think it is altogether fitting that the Resolution of Condolence should be moved in this House as an honour to our late friend and Clerk, Jack Ross Reeves. Such

resolutions, Sir, as we all know, are traditionally moved only as marks of condolence for members and former members of this Chamber. However, no one would question the appropriateness of Jack Reeves being made an honourable exception to this rule.

For 22 years, he has been as close as any member or any nonelected person can be to this House. After his long career in the armed forces to which the First Minister made reference, he came in 1960 to the first of his House-related positions from which he rose through the ranks, so to speak, under the guidance of Charland Prud'homme to become the Chief Electoral Officer and ultimately the Clerk of the Legislative Assembly.

Mr. Speaker, I was one of the two members who sat in the House when Jack Reeves first came to this table, along with I believe the Honourable Minister of Health. Indeed, it was only six days ago that he was struck down after putting in a full day's work at the task that he knew so well and that which he had gained eminence among his peers across the country.

He was not a lawyer. Some would say that was among his greater strengths, yet he brought to his task as Chief Counsellor to you and to each member of this House, Mr. Speaker, a kind of unobtrusive authority which derived from his long experience, from his common sense, from his innate fairness and from his willingness and his ability to see both sides of any question. Equally, he could see the good in each person, even though sometimes those of us of less insight perhaps could not. I know of no one that he called an enemy. Hate and envy were foreign to his makeup.

He was, indeed, one of nature's gentlemen. This is not to say that he lacked strong convictions. He was a student of our parliamentary system and devoted, not only to its forms but, more importantly, to the end result of its deliberations and of its institutionalized practices; namely, the service of the public interest.

As a man, he was a friend to all and one whose cheery encouragement and whose example of goodwill and of hard work enriched the lives of those fortunate enough to move in his circle. He will be greatly missed, but he will also be fondly remembered by all who have passed through this House in his time.

To Mrs. Reeves, to Jack's two daughters, three surviving sons and to the granddaughter, we extend our sincere condolences in their loss of husband and father and grandfather. Along with them we, in this House, rejoice in having experienced his love and his friendship and we rejoice as well that he is now at rest with God.

MR. DEPUTY SPEAKER: The Honourable Member for Concordia.

MR. P. FOX: Mr. Speaker, I, too, would like to add a few words of condolence on my own. Having worked very closely with Jack during my period when I was involved with the Legislative Branch I got to know Jack quite well. I found him a very, very proficient and excellent civil servant and dedicated in his work. It was one of the things that I always admired that, no matter how late we sat, the following day he would be there, fresh and ready to proceed again, no matter what the tribulations and the day before had been like.

I should just like to indicate that Jack was born on May 14, in 1919 in Regina. His education was in Winnipeg public schools, also Wesley College, later became the United College and still later the University of Winnipeg. He served in the Armed Forces from 1939 until 1960 and, of course, that gave me some affinity again because I, too, had served in the Armed Forces. He joined the Manitoba Government in 1960 as Administrative Officer and from then on in, of course, many of us know of his service. Not all of us have had the full opportunity of having been present during all of his time but I know there are a number of members here who go back as far as Jack did in his service to the Province of Manitoba.

Besides being an Administrative Officer in the Department of Provincial Secretary, he was Deputy Clerk from 1963 to 1973 of this Assembly. He was the Deputy Chief Electoral Officer from 1968 to 1971. In 1971 to 1980, he was Chief Electoral Officer and up until the present time, from 1973, he was the Clerk of the Legislative Assembly. I think we can all say that Jack did a very great service to this province and I am pleased to be able to participate in condolences to his family to indicate that Jack really served the province well.

MR. DEPUTY SPEAKER: The Honourable Member for Virden.

MR. H. GRAHAM: Thank you, Mr. Deputy Speaker. I too would like to associate myself with the motion before us. Like the former speaker, the Member for Concordia, I had a privilege to know Jack probably in a more intimate way than most members of the Assembly would have and, in doing so, I found that Jack was a man who was totally dedicated to the retention of the parliamentary system, the rules, the customs, the traditions and was very concerned with the proper procedures that were used to conduct the business of the House. His ability to withstand the pressures of extended hours of speed-up was almost unbelievable.

I recall one particular time and Jack had the dubious or the dual role - I shouldn't say dubious, it was the distinctive role of being the Chief Electoral Officer as well as the Clerk of the House - I think that very few people understood the pressures that would be put on that one pair of shoulders when we would sit here until maybe 3:00 or 3:30 in the morning to finally prorogue the House and call an election. Here was our Clerk winding up all the odds and ends of the business of the Assembly and thrown into the midst of a provincial election at the same time. How the man carried on is almost unimaginable.

I don't think he could have done it without a very dedicated staff and, as I look in the gallery, I see some of them sitting there. I think it would only be fair to mention one in particular, Mrs. Simmie, who worked many years in Mr. Reeves' office and was indeed his right hand.

Jack was a man who had one particular interest outside of this Legislature, namely, the Winnipeg Blue Bombers and I recall many hours of discussion and Jack's keen interest in that particular sport. It was a credit to the man and a mark of his character that his devotion to that particular sport and that particular

team was as steadfast and as strong throughout their ups and downs as his devotion to this Assembly.

He will be fondly remembered and deeply lost in my own personal life because I considered his influence on my life to be very personal and rewarding, and for that I thank the opportunity that I have had to work with him quite closely for a four-year period.

I'm sure there are other members that think of Jack for different reasons but I've outlined a few of the points that I found to be extremely rewarding and that friendship was one that I cherish very strongly.

MR. DEPUTY SPEAKER: The Honourable Member for Minnedosa.

MR. D. BLAKE: Thank you, Mr. Deputy Speaker. I would feel remiss if I didn't say a word or two on this solemn occasion in respect and in support of the Motion of Condolence to our late Clerk, Jack Reeves.

I suppose I have known Jack longer than anyone in the Chamber. I got to know Jack in the late '40s and through the '50s when he was on the A & T staff at Fort Osborne Barracks when I was serving as paymaster for the 6th Field Engineer Regiment in the Militia. Jack was a member of the instructional staff that would visit around to the various Militia units to check up on them every couple of weeks and see that the procedures, the rules and the instructions were being followed carefully in accordance with the regulations of the Canadian Army. He took his job at that particular time seriously; he was meticulous and everything was by the book, so to speak.

I can remember later on in the Minto Armouries when I moved into Winnipeg, Jack was the Orderly Room Sergeant for one of the other Militia units - not mine - and he would virtually strike fear into the hearts of some of the young recruits for not following some of the instructions as carefully as they should, but with that he had their full respect and provided them with the guidance and direction that they wouldn't have, I don't think, from anyone else other than someone who was as dedicated and of strong character such as Jack Reeves.

I later, of course, continued that friendship and acquaintance when I was elected to this Legislature when Jack was the Deputy Clerk and moved up a year later to Clerk of this Assembly and I, too, as the Member for Virden said, have enjoyed his counsel, direction and friendship for many years and he will be sadly lost, as a personal note, and I know it's a big loss to this Assembly. So, Mr. Deputy Speaker, it's a privilege to just add a word in support of the Motion of Condolence that is being presented today.

MR. DEPUTY SPEAKER: The Honourable Member for Kildonan.

MS. M. DOLIN: Mr. Deputy Speaker, in speaking of Mr. Jack Reeves, I would like to point out to this Assembly that Jack was a resident of Garden City, the Garden City area of Winnipeg and therefore a constituent of mine in Kildonan.

I sincerely regret that just as I was beginning to discover the wealth of information and assistance that this quiet man had to offer to all of us he was so suddenly taken from us. I was impressed with his

continuing evenness of temperament throughout anything that happened in this House or, in fact, in the entire government. His willingness to help new members was a great boon to all of us. I am so sorry that we had such a short time, those of us who are new to this Assembly, to get to know this man and to profit from that experience.

We will all miss his presence in this House.

MR. DEPUTY SPEAKER: The Honourable Member for Burrows.

MR. C. SANTOS: Thank you, Mr. Speaker. As a new member of this Legislative Assembly it was my privilege to approach Jack Reeves one time when I was about to take my Oath of Office and request of him if he could do it in a public place. So I gave him two dinner tickets, to a party at the Convention Centre and he said, "Doctor, I can't come because my wife is an invalid but I will do my duty and I can come alone." I said, "I would appreciate that" and he did. He came there on time and sat at the head table and administered the Oath of Office.

As a new member, I am very grateful - he doesn't even know me or anything - but that is, to my mind, a good example of service to a member of this Legislative Assembly. If there is any meaning in life it's the service that we give to people, not only because they do something for us but because they need it. The greatest waste, I think, any man can spend in his life is to refuse to love and to refuse to render the service that he can give to others. I could say that Jack Reeves had indeed lived his life well and had shown a good example for us.

Thank you, Mr. Speaker.

MR. DEPUTY SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Thank you, Mr. Deputy Speaker. I just would like to add my name to those comments and expressions of sympathy and condolences that have been expressed in memory of Jack Reeves.

My first recollection of Jack Reeves was in 1966, after Jack had served some three years in the Chamber, and our Clerk of the Assembly then was the venerable Charland Prud'homme who, although certainly most approachable and helpful to all members, but could have at some times a certain intimidating air about him. As a rookie Minister in 1966 it was natural, I suppose, that I would avail myself more often to the services and to the seeking for help to Jack Reeves.

So from my earliest experience in this Chamber that was the association that I was privileged to have with Mr. Reeves and it was privileged to remain that way for the remaining years of his service in this Chamber and mine to date, as of last week. I might say, Mr. Deputy Speaker, that service rendered was in no way influenced by what side of the House a member sat on, whether you were on the Ministry, Treasury Benches or on Opposition Benches, an opportunity that I've had to share in this Chamber.

So, Mr. Deputy Speaker, it is my privilege to associate the constituency of Lakeside and myself with the condolence motion as moved by the First Minister.

MR. DEPUTY SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Mr. Deputy Speaker, my remarks will be brief but, nonetheless, sincere and heartfelt. For all of that, I suppose no one needs the service of a person like Jack Ross Reeves more than a novice House Leader - and this is not meant to disparage the very great assistance I've had from my Legislative Assistants - but at all times when a problem arose and in the interpretation of rules, as inevitably problems will, Jack Reeves was available. What I admired mostly about Jack, and I admired many things, was that when there would be, as inevitably there must be, some difference about the interpretation of rules, Jack would be quite firm in his opinion and hold to it but nevertheless would reflect, would look up authority and might come back to offer perhaps a different interpretation or to yield a point. I think that's the mark of greatness in a person when they can do that and so I take pleasure in being able to associate myself, I find it a privilege, let me say, to be able to associate myself with the remarks of condolence that are being offered in address to this resolution.

MR. DEPUTY SPEAKER: The Honourable Member for Springfield.

MR. A. ANSTETT: Mr. Deputy Speaker, as many members in this Chamber know, I had an extended period of friendship and service in this Assembly with Mr. Reeves over a period of seven Sessions, but probably what very few people know is that the reason I am a member in this Assembly and the reason I am a resident to the Province of Manitoba is because a clerk, in a Clerk's Office, in this province in the late 60s welcomed me and provided assistance and guidance in doing some research when I was a graduate student in university.

He taught me something about what our Minister of Tourism would like to talk about - Friendly Manitoba - and made me feel at home, and it was rather peculiar in 1973, when I first arrived in this province and was engaged in a position of service to this House, that I knew one person in the Province of Manitoba - no one else. It seems peculiar now in memory, but just nine years ago today, I joined the Civil Service of the Province of Manitoba knowing one person and that person is gone.

Mr. Speaker, I mention that, not because of the significance it has for me but because of what it tells me and what I've seen over those nine years; not just 22 years of service to the Assembly - longer than all but two members here; not just a dedication to serving the House, members and long hours; not just a dedication to a family, to his wife Joan, but an anomaly because Jack hated politics. I don't think anybody in this House who knew Jack well would deny that politics, which is really what this Chamber is all about, is something Jack didn't like.

He loved the institution; that's what he cared about. He cared about the results of what we would do in this Chamber for the people of this province. He cared about the programs. He asked the Ministers and Opposition members intelligent questions off to the side about what they were doing because he cared,

but he allowed no one to challenge this institution. He would draw them aside; he would speak to them quietly; he would speak to them carefully. He guided speakers; he guided members.

He had a tremendous sense of the value of our parliamentary institutions and although some of us, when we're new and I certainly was one, could never understand why some of the things we did were done the way they were done. Jack was able to reach back into history and provide examples, provide us with an understanding of the basis of the institution and how important it was that that tradition was maintained; and how significant it would be if we ever broke from that; and how only by holding that could we build new. He was one who believed - and I suppose some would say in a very small "c" Conservative way - that we build on what we have by understanding it, appreciating it and learning from those experiences.

I never had, Mr. Speaker, an opportunity to work with someone as closely before in my life and I certainly found that he instilled those values with me. Some might say it's a wonder if he instilled those values that I would end up on this side of the House. However, I think he did instill those values and I think those are some of the fundamentals with which I approach my role as an MLA and I hope that, in terms of those values, I will do him credit. Mr. Speaker, more important than that, I think he's instilled those values in almost all the members of this House. I think that's significant.

Mr. Speaker, no one has made mention of the role Jack performed in the development of member services, the Rules of the House, the leadership that he showed in those areas because the Clerk does not do those things. The Clerk is the person who implements the decisions that are made by members, but all of us know that he showed leadership in electoral reform, he showed leadership in the provision of services to members and those are things for which I believe we have to be grateful.

He also made us aware very much of the perception of this place when he said things like: "After two or three Sessions it all sounds the same." My first Session in the House I paid attention very diligently; second Session almost as diligently; but by the third Session I was beginning to wonder.

He also said in 1977 in the fall, when I started expressing amazement of what was taking place on one side of the House, he said: "Oh, I've seen it before. After an election, they just trade speeches. You needn't be amazed." Those are the kind of anecdotal thoughts about Jack that give us an insight into a man who, although totally dedicated to the service of the House, was able to look at all of us and smile. That's a strange quality and that enabled him to serve us with the even temperament, the unflapability that so many have commented on.

Many of you, I believe, have had opportunities to go with him to his favourite luncheon spot, which has now been changed, just across the river. I had an opportunity to travel extensively with him in the province, in the country, and certainly the one quality that stands out in all of that memory is the dignity, the respect, the unquestioning allegiance to what the Assembly represents - a fundamental belief in parliamentary democracy - that I believe in him went deeper

than I have seen it in any other person because it represented a total commitment.

Now, some of us had trouble getting to know an austere, stoic, sometimes gruff gentleman in a gown and vest, but I know that all of us when we recognized that in that military bearing and meticulousness there was someone who was dedicated to this House, we found inside that, a very warm caring person; a person who made a very small staff perform wonderful things in both election administration and the administration of the House because he operated a team; a person of military background who could put together a team; never a man to bark orders but instead a man to work with a team and build and get things done. That's something for us, Mr. Deputy Speaker, and that's something for us to build on.

To Jack's wife and family, it's been said, goes our sympathy, but I think it is more than that, I think it's our respect. I know that Jack cared very deeply for his wife, and her health and her welfare were always on his mind. I think it's important that be noted at this time.

Mr. Speaker, I believe the House has lost a loyal servant and a defender of its traditions and its rights; I believe the province has lost a fine Clerk but, Mr. Speaker, I, for one and I am sure every other member in this Chamber, has also lost a very good friend.

Thank you, Mr. Speaker.

QUESTION put; MOTION carried.

COMMITTEE CHANGES

MR. DEPUTY SPEAKER: The Honourable Government House Leader.

HON. R. PENNER: Mr. Deputy Speaker, before calling Orders of the Day, may I announce some changes with respect to the membership on the Committee of Economic Development which is meeting on Thursday. For the Minister of Northern Affairs, the Minister of Economic Development; the Minister of Transportation begs leave to substitute the Member for Rupertsland, the Member for The Pas and the Minister of Energy and Mines.

HON. R. PENNER: Mr. Speaker, would you please call Second Reading on Bill No. 28, an Act to amend Various Acts relating to Courts of the Province?

SECOND READING - GOVERNMENT BILLS

BILL NO. 28 - AN ACT TO AMEND VARIOUS ACTS RELATING TO COURTS OF THE PROVINCE

HON. R. PENNER presented Bill No. 28, an Act to Amend Various Acts relating to Courts of the Province, for second reading.

MOTION presented.

MR. DEPUTY SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Thank you, Mr. Speaker. Bill No.

28 introduces relatively minor amendments to The Queen's Bench Act, The County Court Act and The Surrogate Courts Act.

The amendments to The Queen's Bench Act, Mr. Speaker, had been prepared for the 1981 Session of the Legislature, but due to an unfortunate mix-up in the records of the Office of Legislative Counsel the amendments were inadvertently not introduced by the time the House prorogued. The amendments are intended to ensure that County Court judges, when acting as local judges of the Court of Queen's Bench, have full jurisdiction on all Family Law matters.

The amendments to The County Courts Act itself will permit the County Court to utilize the services of the Public Trustee as official guardian in cases involving infants. These provisions, Mr. Speaker, are similar to the present provisions of The Queen's Bench Act.

Finally, the amendments to The Surrogate Courts Act were recommended by the Chief County Court Judge, who is the Chief Judge of the Surrogate Court, to bring some of the monetary values in the Act in line with present day values. Accordingly, Mr. Deputy Speaker, I would commend this bill to the House.

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

MR. G. MERCIER: Mr. Speaker, I move, seconded by the Honourable Member for Sturgeon Creek, that debate be adjourned.

MOTION presented and carried.

MR. DEPUTY SPEAKER: The Honourable House Leader.

HON. R. PENNER: Mr. Speaker, there is an agreement that there will not be a Private Members' Hour today. We will be meeting in two committees; one in the House, a continuation of Crown Investments; and the other committee in committee room on the Emergency Interest Rate Relief.

Accordingly, I would move, seconded by the Minister of Health, 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 and that the House do now adjourn.

MOTION presented.

MATTER OF GRIEVANCE

MR. DEPUTY SPEAKER: The Honourable Member for Virden.

MR. H. GRAHAM: Thank you, Mr. Speaker. It is traditional in this Assembly that when a motion to go into committee is made, that is the time when a member can rise and bring to the attention of the House matters which he considers to be of fairly important nature. That is why, Mr. Speaker, at this time I have chosen this occasion to bring to the attention of the Government House Leader and members of the government some of the rather strange and inept goings on that appear to be taking place and what I consider to be the total lack of leadership that is occurring here

in this province at this time.

Mr. Speaker, I give you an example. It was on the 29th of April, which is more than a month away, there was a debate going on and I took the adjournment on a motion that was on the Order Paper, is still on the Order Paper, and here we are, five weeks later, and I still haven't had an opportunity to speak to that motion. Five weeks, Mr. Deputy Speaker, five whole weeks have gone past and the government has not called that resolution. The resolution was the one that was proposed by the Honourable Minister of Transportation which says: Whereas the Government of Canada has announced its intention to abolish the statutory rates for rail transportation of grain and introduce a law designed to protect the railroads; and WHEREAS research conducted for the preceding Government of Manitoba indicates that increased grain rates are expected to result in a decline in the value of agricultural production, will certainly result in lower net farm income and will therefore result in a loss of jobs; and WHEREAS the protection of a grain rate set by statute has proven superior to all other "guarantees" of rail rates and service . . .

It goes on and on and on, Mr. Speaker. The part that concerns me is that some of those Whereases are questionable. Some of the proposals, I think, are debatable, but unfortunately we haven't had the opportunity to debate —(Interjection)— the Honourable Minister says it is not true. I would suggest to the honourable member that he has to listen because the Government House Leader, in his collective wisdom, has decided not to call the resolution. I have great difficulty with that because I'm sure that it causes a lot of embarrassment to him in his relationship with his Leader —(Interjection)— he has to, because his Leader urged everyone in this Assembly to debate. I refer to the Hansard of the 22nd of April when the First Minister spoke. I want to quote a little piece from this. This is on page 1739, about half way up the column, "and I would hope that members would join quickly in a unanimous vote on this resolution."

I wish, Mr. Speaker, that we would see some removal of the hesitation that has been taking place over the last few weeks on this resolution that is before us, so we can get on with a clear message to Ottawa.

What has happened, Mr. Speaker? What has happened? I can tell you, Mr. Speaker, that there was an election in Saskatchewan and since that election this government won't touch this resolution with a ten foot pole. They're trying an 11-½ right now, but they're not to sure if that will work.

The Honourable Minister of Cooperative Development, and I use that word advisedly, says, "Well, let's get on with it." I'm asking him, please get on with it, get to your Government House Leader and have him call the resolution. We on this side of the House have been waiting patiently, but obviously there has to be some problems between the Government House Leader and the First Minister, because the First Minister has indicated in Hansard that he wants this thing called. "Let's get on with it, so we can get a clear message to Ottawa," and the Government House Leader won't call the resolution. Mr. Speaker, it doesn't show any leadership at all, nor does it instill any confidence in the people of this province to have this type of activities and shenanigans going on.

Mr. Speaker, I just quoted one passage from the First Minister's speech. He also says, "I think, Mr. Speaker, that members across can indeed make a contribution to the quality of life in this province and far can exceed the number game that has taken place and which is guiding bureaucratic decision makers." Now that doesn't make sense, but there are many things that the First Minister says that don't make sense.

I think that the towns and villages of Manitoba are a good place to live and work, to raise a family, to carry on a business. I think there could even be better places to work and live, but not if we lose one of the major sources of a local industry in this fashion and that is the grain elevator.

He goes on and on and then he says at the bottom of page 1739, "I fail to understand the hesitation that has taken place so far on the part of Opposition Members in this Chamber regarding this resolution." Well, Mr. Speaker, I want to point out to the First Minister, that hesitation is not on this side of the House, it's in his own party. It's in his own Government House Leader. Apparently he can't even read the Order Paper because the resolution has been on the Order Paper for months, and he won't call it. Why? Why, Mr. Speaker? Why? Why would he not call it? He says "It is beyond me as to this hesitation, this uncertainty, this indecisiveness that is being demonstrated day by day across the way," but we know that it's right over there.

Mr. Speaker, when it comes to do this, when the Trudeau Government and the railways say, "Jump," is there anyone in this Chamber that is going to ask, "How high?" I imagine Howard is going to say that. He says "Mr. Speaker, I hope we can vote on this resolution this week and give a clear indication of the position of members in this Chamber." This was the 22nd of April, a Thursday.

Now I think that on the following Monday there was an event of some significance in a neighboring province. I have a suspicion, and it could be wrong, but I have a suspicion that the only purpose in bringing forward this resolution was to bolster the sagging forces of the Blakeney Government in Saskatchewan. Mr. Speaker, I come to that conclusion because they have failed to call this resolution since that disastrous day, that Black Monday in socialist circles that occurred in Saskatchewan.

Mr. Speaker, some of the interesting things that were said by the First Minister make interesting reading. There was an interjection and then the First Minister went on, he says, "Mr. Speaker, I'm coming to that." I was amazed to hear the Leader of the Opposition suggest that we do not want to vote until after the Saskatchewan election. Now, I am convinced that the First Minister was telling the truth. He wanted that vote on the Crow rate before the Saskatchewan election, not after, so that my leader was probably quite correct when he said that we didn't want to vote until after the Saskatchewan election. I think that was probably true.

I sometimes wonder, Mr. Speaker, whether it is wise for other jurisdictions to attempt unduly to influence the results of an election in another jurisdiction. That is something that a socialist will never accept because they love to gather their hordes, traipse across the country from one jurisdiction to the next and put their election bandwagon on the road. They use the same

one from one jurisdiction to another, so I don't think that they would probably accept my suggestion that we refrain from trying to influence the vote in another jurisdiction.

Mr. Speaker, the First Minister went on. He says, "What is the Leader of the Opposition afraid of, Mr. Speaker? In Saskatchewan as here, we are stating that until there is a superior alternative, the Crow rate must stay. We are saying that the Pepin proposal is not a superior alternative."

Mr. Speaker, I don't think that's what they were saying at all. They were saying that they wouldn't even sit down at the table and talk about it. They were saying they would refuse to negotiate. This is the party that talks about . . .

MR. G. FILMON: Open government.

MR. H. GRAHAM: . . . not only that, but trying to get along in a better frame of mind with the Federal Government, but said we will not negotiate; we won't even talk to you, but we believe in cooperative federalism. Mr. Speaker, that somehow has a hollow ring to it. Somehow it has a very hollow ring.

Mr. Speaker, the First Minister ended up and he says, "I ask again for the Opposition to join with us in agreeing to that latter proposition. Today, I ask that you agree to it - this week." He was pleading with this House to get on with this resolution. If you wish to show your support for Mr. Devine in the Province of Saskatchewan, show it. Demonstrate that Mr. Devine is sincere when he says that the Conservative Party supports the Crow; demonstrate your sincerity. Why is the First Minister always concerned about Saskatchewan? It seemed very strange and a very hollow argument that he put forward in his so-called defence of the resolution put forward by the Minister of Transportation.

"I say to the members opposite," he says, "by casting your votes in the Manitoba Legislature this week, today or tomorrow, let it show them, Mr. Speaker, with our feet and our votes . . ." Now, I don't know what he's using his feet for - probably putting them in his mouth. ". . . with our feet and our votes where we stand. Let us remove all hesitation, all doubt as to where this House unanimously stands in respect to the retention of the Crow rate."

That was a very anxious Premier wanting to get on with the business. Well, Mr. Speaker, how much can you believe that man? He stood up and made those dynamic decisive speeches and then "poof," we don't even see the resolution for five whole weeks.

Mr. Speaker, I rise at this time to express my concern and what I consider to be an issue, a grave issue, for this Legislature. I think it is particularly appropriate today when just a few minutes ago, we paid tribute to one of the great servants of this Assembly who believed in the orderly conduct of business of this Assembly. This is all I'm asking for, Mr. Speaker, is the orderly conduct of the business of this Assembly so that we can proceed on a regular basis, that we know with some degree of certainty when something is put on the Order Paper that, indeed, it will come forward for debate and members of this Assembly can properly take their place in debate in this Chamber and the business of the House conducted in an orderly fashion.

So, Mr. Speaker, I rise at this time because this is the proper time according to the rules of our Assembly to bring this matter before the House for its attention and I hope that, as a result, we will conduct the affairs of the House in an orderly manner and this resolution will be called very shortly.

So I thank you, Mr. Speaker.

MR. SPEAKER, Hon. J. Walding: The Honourable Member for Lakeside.

MR. H. ENNS: Thank you, Mr. Speaker. I too wish to add my voice and use that one occasion that all members have to express ourselves on a matter of House grievance, and to add my total and utter disgust for the cynicism and the contempt that the New Democratic Party has shown towards rural Manitoba.

Mr. Speaker, I want to first of all, of course, congratulate the Member for Virden . . .

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

HON. B. URUSKI: The point of order that I rise on, Mr. Speaker, it is highly unusual for the Honourable Member for Lakeside to get up in his place and say that he hasn't had an opportunity or speak about disgrace when he has spoken on this issue, Mr. Speaker, when he has already had the opportunity to speak on this issue.

MR. SPEAKER: I doubt if the Honourable Minister had a point of order.

The Honourable Member for Lakeside.

MR. H. ENNS: It's obvious that the expressions of contempt I have for that party opposite still hasn't sunk in, but I want to tell you, Mr. Speaker, it will sink into the hearts and minds of rural Manitobans.

First of all, I want to congratulate the Member for Virden for having patiently waited thus long to raise this matter of grievance - and we are speaking on a matter of grievance - and for the edification of the newer members here, it is up to the House Leader to call the Orders of the Day and to call the Resolution of the Day and this resolution has been on the Order Paper of these past five weeks. The Member for Virden has quoted the eloquent passages of our First Minister, of our Premier, about the importance of the urgency of this subject matter; about how this matter should be dealt with; the goading that went on from other members opposite about not failing to deal with this matter.

Now, Mr. Speaker, because it has become so evident that everybody - and certainly every farmer in Manitoba - can understand why that motion was here to begin with, that it was crass politics played at its meanest and basest and lowest level that was being demonstrated here by the New Democrats. And, Mr. Speaker, rural Manitoba won't forget that because the issue is important; the issue is legitimate; the issue is of great concern to rural Manitobans. But they're prepared to play that kind of cheap politics with this kind of an issue.

Mr. Speaker, other speakers have said in the first instance, although the issue - and I think it's a legiti-

mate issue to debate in this Chamber - but the issue of the Crow is not of all that much importance to Manitoba, as compared to Saskatchewan and even Alberta, just in the sense of where most of our grain moves to. It moves to the Eastern seaboard - 80 percent, 90 percent - and that's not where the problem lies but, Mr. Speaker, nonetheless, we have every reason to associate ourselves with the concerns of our two sister prairie provinces, Saskatchewan and Alberta, where the Crow really is of fundamental importance.

Mr. Speaker, I want you to at least examine with me for a moment the callousness, the cynicism of the New Democrats who believed they could manufacture a political issue out of this issue and they were so advised because that is what Mr. Blakeney, the former Premier of Saskatchewan, believed, and he was advised that he could manufacture an election issue for him on this issue. So he picked up the phone and he called his friend "Powder Puff Pawley" here in Manitoba and he said, "Pawley, you remember I need a favour because, you know, I may be able to help you with that potash mine that you want to develop." He thought he might be able to. I don't know whether Grant Devine's going to have those same considerations at this particular time. In the meantime, of course, we've probably - in the words of the Member for Virden - "poofed" away the one opportunity that we had for the major potash development in this province.

Nonetheless, in a coldly calculated, cynical way the NDP of Saskatchewan got together with the NDP of Manitoba and said, hey, if you can box the Tories in Manitoba, particularly if you can get some of those Tory members to make some speeches that could in some way be misinterpreted by the electorate as being opposed to some of the positions being taken on this issue or in recognizing that some change might have to take place with respect to how grain is transported in Manitoba, it would be of help. It would be of help, not to the farmers in Manitoba, not so much to the farmers in Saskatchewan, but to the political fortunes of the New Democratic Party in Saskatchewan.

Mr. Speaker, that was what motivated that resolution, and that alone is what motivated that resolution. Mr. Speaker, need we have any other demonstration of that? The Honourable Member for Virden laid it out as clear as it can be laid on. Up until the election date, the call was on: let's deal with this motion; let's deal with this motion. Now for five weeks, it sat there - no urgency, no importance - after all, the election is over in Saskatchewan. You cynical politicians!

I want to tell you something. The farmers of Manitoba will not forget this and you will never get any more representation of rural Manitoba, from the clear-headed thinking of Manitoba that you have now, because you're prepared to play with such an important thing as the farmers and rural Manitoba's livelihood in a cynical party way.

So, Mr. Speaker, these, fortunately for us in the Conservative Party, are some of those God-given opportunities that will enable us to continue to enhance ourselves to our rural voters. We'll continue to keep our base in rural Manitoba because we will not play games of politics like that when our people's welfare is at stake.

Mr. Speaker, the mover of the resolution isn't here. Well, Mr. Speaker, I'm sorry. I withdraw that remark. We're not supposed to make references to members who aren't here, but, Mr. Speaker, what did we have going on prior to the Saskatchewan election? Every day taunting and goading from the members opposite. At public taxpayers' expense, we put advertisements into the Manitoba Co-operator, inserts, or we had big meetings lined up. We had halls ordered for 400 chairs to be set up, ashtrays for 350 people - some might share - and four farmers showed up, Mr. Speaker. Well, embarrassingly, Mr. Speaker, the honourable government had to withdraw from that charade, but the point that I'm trying to make is they were prepared to go to this end. They were prepared to orchestrate to this end the politics out of the question of the Crow.

Mr. Speaker, I did not know that my colleague, the Member for Virden's patience would run out and that he would present that motion today, or else I would have phoned Grant Devine's office in Saskatchewan. I'm sure there must be thousands of those ill-conceived, hard to read, dead Crow badges around that all members opposite used to run around this Legislative Chamber wearing. You know, that picture of that magpie turned upside down with an arrow through - you know where. Remember, we all wore that?

That was five weeks ago, Mr. Speaker. Five weeks ago when the Premier of this province thought that the Crow was an urgent pressing matter, had to be dealt with, challenged us. We had to deal with this matter, the very livelihood of rural Manitoba. Rural Saskatchewan was stood in balance whether or not we'll depopulate all of rural Manitoba, whether or not farmers are going to be in worse economic conditions than they already are. Those were the speeches that were emanating a short five weeks ago on this subject matter. Now, Mr. Speaker, they have no concern. They have absolutely no concern. The political little game they played went poof in their face and so along with it went the issue. I hope particularly the newer members, those few that have at least a peripheral of rural and farm-based support, recognize what took place in this Chamber because you're going to have to answer for it.

Mr. Speaker, let me tell you something, we are prepared to debate the Crow. We will now debate the Crow and we'll debate the Crow until the crow can't fly any more or at least until it gets its arrow out of wherever it was. But, Mr. Speaker, I couldn't resist the opportunity of using up my one opportunity in this Session to express again my disgust. I haven't seen politics played in such a blatant, in such a callous, in such a crass way. For a political party - I've seen individual members from time to time and we all have to do it, we are all politicians - to see a whole party play this kind of politics for sheer party politics reasons and use, Mr. Speaker - and this is the unforgivable part - use such an important issue that grain transportation is in this country. That is what they are prepared to do and they will have to live with that, Mr. Speaker, because five weeks have gone by and there hasn't been one indication on the part of the Government House Leader, whose responsibility it is to call the resolution.

The resolution stood on the Order Paper every day in those five weeks. Every day in those five weeks, the Government House Leader could have called for that resolution. Not once, Sir, was it called until, as I say, our patience has run out and we used up our grievance motions to make this point. Shame on you for treating farmers and rural Manitobans in the manner, in the way in which you have. You are nothing but crass, callous, cynical, contemptuous politicians.

MR. SPEAKER: Order please. The Honourable Member for Thompson.

MR. S. ASHTON: On a point of order, for the clarification of members opposite who suggested that there was no debate after the Saskatchewan election, I, in fact, spoke on the Crow following the Saskatchewan election.

MR. SPEAKER: I doubt that was a point of order, but I thank the honourable member for his clarification.

QUESTION put, MOTION carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Flin Flon in the Chair for Crown Investments and the Honourable Member for The Pas for Emergency Interest Rate Relief.

The House adjourned and stands adjourned until 2:00 p.m. tomorrow (Wednesday).

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY - EMERGENCY INTEREST RATE RELIEF

MR. CHAIRMAN, H. Harapiak: I call the Committee to order. We are on Emergency Interest Rate Relief Program on Page 116 of our Estimates Book. Mr. Minister, do you have an opening statement?

HON. B. URUSKI: Mr. Chairman, I would just like to bring members up-to-date on the program. When the program was announced in February, there were three components to the program. The parameters were a \$23 million Interest Rate Relief Program for homeowners, for farmers and for small businesses, the various components of which were:

For homeowners, there were direct subsidies to a maximum of \$275 per month whose gross incomes were \$30,000 or less and whose principal, interest and taxes exceeded the 30 percent of their income.

For farmers, whose gross receipts were less than \$70,000 in 1981, or in the last two of the last three years, would qualify for up to \$6,000 per year. The statistical advice that we received in this area was from the Farm Credit Corporation in terms of net incomes of farmers of Manitoba of which an estimate was given to us that at least 70 percent of Manitoba farmers fell into that category.

In terms of the small businesses, businesses with gross receipts of less than \$350,000 in 1981 or in two of the last three years qualified for the same type of assistance as in the case of farmers. Some 80 percent of Manitoba businesses fell into the category of the gross receipt range that I have outlined.

The assistance to small business and to farmers was a 50 percent grant and a 50 percent repayable loan, which will be interest-free for the maximum 24-month period, and the time frame for applications was any time between January 1, 1982 and December 31, 1983. The assistance would run for a maximum 24-month period.

MR. CHAIRMAN: The Member for Arthur.

MR. J. DOWNEY: Mr. Chairman, I would think that the Minister's opening statement is somewhat a little briefer than what I thought it may be. I thought the Minister may have made quite a lot more to-do about this Interest Rate Relief Program that he made a lot of noise about prior to the election and the fact that his initial job after the election was to head up and chair what would be considered one of the major committees of any government, because I think that if we were to ask the question throughout not only the farm community, but dealing with the homeowners and dealing with the small business people, what was the major concern within society and their economic problems that we all know they're having? What would be their No. 1 concern? Of course, interest rates are one of the major issues. I think that interest rates and energy costs are two of the costs that we have had to deal with that have, I would say, to put it in strong terms, Mr. Chairman, nearly crippled the farm community.

It is unfortunate that the Minister, who is now some several months old in office and still the Chairman of the Interest Rate Relief Program, hasn't given us specific details of how many farmers have had cash pay outs made to them, how many homeowners have had cash pay outs made to them, how many small businesses have had direct cash assistance. That I think, Mr. Chairman, is critical.

I think that the fact the Minister has announced \$23 million over two years and we're now voting \$10 million, the fact that \$10 million for three groups in society to deal with a massive interest rate problem is by no means adequate unless, Mr. Chairman, the Minister has introduced a program to again try and fool the people because I think that's what we've seen happen in the administration of this date. We've seen a program, we've seen a Budget introduced that said that it's a tax that everybody is going to pay; it's a 1.5 percent payroll tax and that's really not going to hurt anybody. That's, you know, because we tax churches and because we tax charitable organizations and everyone has to now pay 1.5 percent that, for some reason, is a better way of taxing people. But what we're seeing is, again, the Chairman of the Interest Rate Relief Program trying to fool the people.

There are 30,000 farmers in the province and I'll speak specifically, Mr. Chairman, about the farm community. There are 30,000 farmers in Manitoba; they're having problems with interest rate relief or with interest rate costs. I would say the majority, Mr. Chairman, of farmers are borrowing money to operate their businesses with.

HON. B. URUSKI: And they always have.

MR. J. DOWNEY: Oh, Mr. Chairman.

HON. B. URUSKI: What else is new?

MR. J. DOWNEY: Mr. Chairman, the Minister is very much ill-advised. They have certainly borrowed money, but at what rate have they had to borrow it at? They've had to borrow it at 5 - I can remember traditionally the cost of the farm community was 5 percent. I remember it increasing to 6, 7, 8, 9 percent and then it went to 10 percent and it was a critical situation, really. At 10 percent with normal operations it got into a, not critical, but it started to get tightening up a little.

In the last year, Mr. Chairman, a year, not two years, no, in the last year we have seen interest rates go to excess of 20 percent, in excess of 20 percent, interest rates in excess of 20 percent and, Mr. Chairman, I think that what the Minister has done is grossly misled the people of Manitoba, leading them to believe, first of all, that if they voted for him and voted for his party, they would do something to assist them and that is a No. 1 sin, Mr. Chairman, in my estimation. Grossly misleading the people of Manitoba, to lead them to believe that he could help them and his party could help them with interest rate problems. I think, Mr. Chairman, what we have seen happen is an admission that he can't, that the problem of the interest rate is far too massive for he as the Minister or a government to do anything about.

If we get into the specific details, Mr. Chairman, of the actual programs that they introduced - and let's just touch on the farm one for a few minutes - I think it's important to the committee and to me, as an individual who is from the farm community, to really assess what does a \$3,000 grant mean to an individual who is paying 20 percent interest? An average farm size - I'm sure the department people are sitting here, they can tell the Minister if I'm wrong - is 680 acres or between 650 and 700 acres in the Province of Manitoba, that the . . .

HON. B. URUSKI: The average farm size is 400. The average farm size in Manitoba is 400 plus.

MR. J. DOWNEY: I guess we can go to the Agriculture Department's Annual Report and I stand to be corrected. For some reason I had a feeling it was around a section of land, but I do stand to be corrected. He can get those figures easier than I can probably, but the point I am trying to make, Mr. Chairman, is the minute amount of money, and it is a minute amount of money, that he is offering to support the interest rate problem that farmers have, is of no meaning. What does \$3,000 mean to an individual who is paying - and if we want to use the Minister's figure - if he's got a 400-acre farm average, the cost of putting in that particular farm or operating it today is probably in the neighbourhood of \$50 to \$75 an acre.

If he is borrowing his operating credit and the Minister said, every farmer borrows money, it is not uncommon. He borrows his operating credit. —(Interjection)— The Member for Dauphin, Mr. Chairman, will have his chance to speak I would hope. Mr. Chairman, we will look at the figures of 400 acres at \$50 an acre to be fair and I think that's not a way out figure, that's a minimum figure. That is \$20,000 operating credit; 20 percent interest on that is how much money? Twenty percent interest on that much money

is \$4,000.00. Fifty times the 400 is an interest charge of \$4,000.00. Mr. Chairman, that has doubled in the last year, year-and-a-half's time, something that the farmer has not had any control of.

So, if you are going to help the 30,000 farmers in Manitoba in any meaningful way, the \$10 million that he is asking for the homeowners, asking for the farmers and asking for the business people isn't going to help them. So, why has he fooled them, Mr. Chairman? Why is he trying to fool them?

I indicated in my opening remarks, Mr. Chairman, that I would hope the Minister would have, first of all, given us the numbers of farmers that he has helped. I would hope that he would, first of all, respond with those answers. To date, how much money has flowed into the hands of farmers as far as the program that he has put in place?

HON. B. URUSKI: Mr. Chairman, before I answer those questions specifically, I think the Honourable Member for Arthur, if anyone is misleading or stretching things, it's the Honourable Member for Arthur who comes to this committee and has the audacity to say that someone is fooling someone. It is only the Member for Arthur who can come to this committee and try to hoodwink members here and the people of Manitoba into believing that someone is fooling someone.

Mr. Chairman, one should remember - let's go back to the election campaign - that the Conservative Party while in office supported, through their administration, the high interest rate policies of the Federal Government. It was their Minister of Finance. Did they pledge anything to assist the people of Manitoba at that time? No, they did not, they did not have any programs. But when did they come up with a program, Mr. Chairman? During deathbed repentance; that there should be something done on account of the high interest rates while they were in government, during the election campaign. They made an announcement that there should be some Interest Rate Relief Program and that after we had made announcements that we would have a limited program and it was announced as a limited program.

I believe during the campaign it was a \$20-million range that was announced during the campaign. I don't have the literature right in front of me but I'm sure that the \$20-million figure was put out as a definitive amount. One realizes that \$20 million isn't a great amount, Mr. Chairman, in terms of monies for mortgages and the like, but the Conservatives realized that they were in trouble and on a deathbed repentance they came out with a suggestion that they were also going to come up with an Interest Rate Relief Program. But was there going to be any assistance for farmers or small business people? No, there was no assistance and now for the Honourable Member for Arthur to come to this committee and say that you're not doing enough, you're not doing anything, why are you fooling the people, Mr. Chairman?

The same Minister of the former administration who told beef producers that there isn't enough support, that there's not going to be any assistance to them, is now coming to this committee and saying, you're not doing enough. When they were in office when the interest rates were above the 20 percent range - he

admitted to us here this afternoon that interest rates hit the 20 percent mark - they have the gall now to come here and say that you're fooling the people of Manitoba and that somehow your program isn't working.

We announced it as limited assistance, Mr. Chairman, we were not overly optimistic that we could help everyone and we made that announcement with respect to this program, that it was of limited assistance and that we could not help everyone, recognizing that interest rates have made in many operations, including farming, make up a major portion of farmers' payments. But, Mr. Chairman, let's also recognize some of the difficulties of who is in trouble in the farming sector. It is many of those people that the former administration assisted in purchasing large tracts of land. —(Interjection)— No one said that you shouldn't buy land, Mr. Chairman, but with the financing . . .

MR. CHAIRMAN: Order.

MR. B. URUSKI: . . . their administration, in fact, placed many people by their dogmatic approach by saying, yes, we will do away with the Land Lease Program; we will not allow people to lease land and pay a reasonable rental rate; we will jack up the rates; we will change the rating structure according to market value and the rates will then skyrocket so it will make it actually financially attractive for people to go ahead and buy that land.

Mr. Chairman, who do we have now, some of the people who are in financial difficulty? Those who swung over to purchase their lands and got caught up in the high interest rate squeeze and many of those will be and are in financial difficulty; and some of whom, Mr. Chairman, I am now receiving letters from them and from other people saying, look, the only way that I can survive is if the Province of Manitoba takes this large debt load off me. —(Interjection)— That's correct. As a matter of fact the Member for Emerson says, buy it back. That is exactly the type of letters that I have been receiving, saying, look, if I and my family are to remain on the farm, one way of surviving as a family unit on the farm is by taking this debt load off us and refinancing my operation and being able to lease, in effect, banking their land, Mr. Chairman. That is correct. I have received letters to that effect. —(Interjection)— Mr. Chairman, I have a letter that I have received —(Interjection)— a letter, yes, I have. Well, Mr. Chairman, it is an example and I tell the honourable member it is an example of people who are concerned. Well, Mr. Chairman . . .

MR. CHAIRMAN: Order.

HON. B. URUSKI: . . . Mr. Chairman, the honourable members may not like what they hear but the fact of the matter is, there are many people in financial difficulty and the . . .

MR. CHAIRMAN: Order. I believe the Minister gave the Member for Arthur the courtesy of listening to his presentation and I believe the Member for Arthur should be able to listen to what the Minister has to say about that.

HON. B. URUSKI: It's not Arthur, it's . . .

MR. J. DOWNEY: Mr. Chairman, on a point of order, please.

MR. CHAIRMAN: I am referring to the members in the committee who are disturbing and I'm sure they are disturbing your hearing.

MR. J. DOWNEY: Mr. Chairman, there has been an accusation made by you, as Chairman, that I am interrupting the proceedings of the committee. You named the Member for Arthur, Mr. Chairman, and I would hope that you would correct the record. I have not.

MR. CHAIRMAN: I did not name the Member for Arthur, I said the Minister listened to the Member for Arthur's presentation and I . . .

MR. J. DOWNEY: I believe you left the impression that I was the person who was making that noise and I would hope that you would correct the record.

MR. CHAIRMAN: I will correct the record and say that the Member for Arthur was listening very diligently. Mr. Minister.

HON. B. URUSKI: Thank you, Mr. Chairman. I mentioned to the members of this committee that I received a letter. I am also advised, Mr. Chairman, specifically to my office, that the Manitoba Agricultural Credit Corporation has received a number of letters to that effect as well. But I have received a letter to my own office, directed to myself, from a farmer in Manitoba putting forward directly that kind of a request. But, Mr. Chairman, it is members of the Conservative Party who come here and have the audacity to insinuate and intimidate members and the public and to insinuate that someone is fooling the public of Manitoba that this program was going to be the salvation of Manitobans who were in difficulty with interest rates. Mr. Chairman, we have never pretended that would be the case. We have indicated that this program is of limited assistance and it will assist as many Manitobans as we can in terms of this program.

With respect to the farm aspect of the program and I will speak to that specifically, Mr. Chairman, and my colleagues can speak to the other areas. Not only are we assisting farmers with respect in applying for the Interest Rate Relief Program, those farmers who do not qualify, who may have larger equity in their operations have a greater cash flow - or other areas - we are through our staff providing management assistance, financial advice and trying to provide whatever assistance from the department that we can to people who are in financial difficulty. This is a follow-up program in terms of assisting the farmers of Manitoba.

To date, Mr. Chairman, we've approved 102 applications; 50 of these have got a confirmed line of credit and there are about 150 to 200 more to process.

To date, these approvals represent approximately \$600,000 of interest payment advances and are interest free for two years. Now, this amount of money will facilitate approximately \$2 million. That is a very conservative figure on the low side of new operating credit, advanced mostly from private lending institu-

tions, but some are under consideration by MACC as a result of these approvals. I say new lending credit, it is not debt consolidation or other areas.

So, Mr. Chairman, MACC as well has a number of those applicants and are in a process of considering providing operating loans in some of these cases to farmers who have been rejected by private lending institutions. About \$300,000 of these interest payments will be an outright grant and not have to be repaid.

Mr. Chairman, there have been representations made to myself by the Farm Bureau and other members that the limit of \$70,000 gross income should be revised. I have indicated to the honourable members that if the number of applications drop off in the near future, in terms of the eligibility, that kind of an assessment will be undertaken to make sure that the amount of money that we have programmed, the slack will be able to be taken up by changes in the criteria if that is in fact necessary.

MR. J. DOWNEY: Mr. Chairman, it is interesting to hear the Minister want to go back over the previous few years of our administration to discuss some of the programs and policies that were put in place. I don't mind getting into that debate, I can defend everything we've done . . .

HON. B. URUSKI: Or not done.

MR. J. DOWNEY: . . . in the farm community. The Minister speaks from his chair again and says, things we have not done. One thing, Mr. Chairman, we did not do, and that was last fall in the election, was make promises that we couldn't live up to. That, Mr. Chairman, is where this Minister is going to and has lost face with the farm community. That, Mr. Chairman, is a very serious fault that he has made because the farm community have traditionally operated on trust and good faith and believing in the word of a person who is representing them in this Assembly, but we haven't had that. We haven't had that.

I will just use a few figures, Mr. Chairman. There is a Minister of Agriculture in the Province of Manitoba who has a responsibility of representing and speaking for, now that he's the chairman of this committee, 30,000 farmers who have had problems with interest rate. There is no question that every farmer out in the community - not every but almost every farmer - has had a difficulty with high interest rates. He has been told by the present Minister of Agriculture that he's doing something about it. Let me tell you, we are voting \$10 million today, Mr. Chairman, that if the Minister of Agriculture sat down with a cheque book and wrote a cheque to every farmer, how much would that be to every farmer? \$333 dollars to every farmer, of which, Mr. Chairman, he would ask for half of it to come back. \$333 today, Mr. Chairman —(Interjection)— Well, I know, but what I'm saying, Mr. Chairman . . .

A MEMBER: Hold it. You can't give it all away to the farmers.

MR. J. DOWNEY: Oh, can't I? Now my colleagues are saying we can't give it all to the farmers. So that \$333

that every farmer is expecting to get because we are voting \$10 million, if every homeowner expects the same share and every small business expects a share, what are we going to be down to? A \$3.30 - and I've said it in my comments in the House and I'll say it again - that I'll bet you, Mr. Chairman, I will wager that the cost of administration, the cost of the Civil Service and the administration is going to eat up more money and cost more to administer than the farmers are going to see out of this program.

They've been misled to the point where today every farmer in the province is expecting some form of interest rate relief to come from their Minister of Agriculture. That's what I'm hearing in the country, Mr. Chairman. I'm hearing it in the country because farmers are saying, we have a Minister of Agriculture who is committed to help us with our interest rate problems. But where is it coming, when is it coming? Well, now, Mr. Chairman, after today's Committee meeting, we have \$10 million we're voting and I have to say if every farmer were to get a share of that, it would be \$333.00. But my colleague, the critic for Industry and Economic Development and the Minister responsible for Housing says, you can't have it all for the farm community. So now we have to say that it is shrinking, to what point? So we're really saying what I said initially that the program is a "Mickey Mouse" program. It's of no meaning at all; it is a "Mickey Mouse" program. It's of no meaning at all to the farm community. And he is sitting here, has misled, Mr. Chairman, the people to believe that is a meaningful program and it isn't, that there is money coming and there isn't. You know, this, Mr. Chairman, is not the only example of misleading the farm community.

The beef industry have had the same kind of leadership from him, you know, pretending that they're going to get some form of relief. They didn't get that kind of false pretensions, Mr. Chairman, from our government but if he wants to talk about some of the things, there were some real help programs put in place. When we had a drought problem, we put some money on the table and we didn't put a bureaucracy in the road of them getting it. We, Mr. Chairman, put adequate funds in a program for them to use and we did.

Mr. Chairman, we reviewed the Crop Insurance Corporation and we fine-tuned it so that the people who are in need of a program had the support of that program. We put changes in place. When the grain industry - we had tons of grain, half the grain lying on the prairies, Mr. Chairman - we committed millions of dollars, \$2.-some million to leasing of hopper cars to put in the grain system to move it to get funds for the farmers. You know that happened immediately; we didn't wait. You know, they give us criticism about dragging our feet; that was done immediately. Mr. Chairman.

What did they do, Mr. Chairman? My colleagues, the Member for Lakeside and the Member for Virten, today . . .

MR. CHAIRMAN: Order.

MR. J. DOWNEY: . . . rose on grievances and I'm pleased they did, because what did they do? They pointed out just exactly what this government is play-

ing and that's a cheap political game with the farm community. I will not stand or sit as a member for this, representing a farm constituency, Mr. Chairman. I, Mr. Chairman, will not stand or sit and allow the farm community to be used as a political football. That's what they're doing - they're using the farm community as a football, a political football, and we can't stand for it, Mr. Chairman.

They talk about the programs that were in place. Certainly, Mr. Chairman, interest rates have been increasing gradually over the last two years, in fact, not gradually, they've gone up what I would call exorbitant rates and that's an unknown factor that the farm community haven't been able to protect themselves against, not unlike, Mr. Chairman, the weather conditions that they weren't able to protect themselves against. We put \$40 million in place to protect that farm community. What has this government done? This government put \$10 million in place to protect the farm community; to protect the homeowners; to protect small business people. You know, I think it speaks for itself, Mr. Chairman. I don't know why we're sitting in here debating a program that is of no meaning to anyone.

All we're doing is further perpetuating the election promise they're supporting through public funds, the election promise of the NDP Government. They're continually hanging a carrot out saying that there is some relief; it's a promise that is not the truth. I hate to be a member of any committee that supports that kind of a program.

Three groups in society, Mr. Chairman - \$10 million? It's a game they're playing. It's a game they're playing, Mr. Chairman, and I don't think we can stand for it. The Minister still, to this point, his Premier indicated that it was an Emergency Interest Rate Relief Program.

The Minister is telling us about all those people he saved. He's got 102 approved; a confirmed line of credit of 50; 150 to 200 to process. Well, pretty small, Mr. Chairman, pretty minute in the overall problem. Has the Minister of Agriculture in the Province of Manitoba contacted his federal counterpart? You know, we heard last night, the Federal Minister of Energy announced a major program to revitalize the energy industry, the petroleum industry, because \$2 billion - they're in trouble. Mr. Chairman, does this Minister of Agriculture ever sit down and let the Federal Government know the economic plight of the farm community? You know, how can he sit by and allow that kind of \$2 billion? I'm not against it, but is he not putting the case of the Manitoba farmer before the National Government, before the major body that has the kind of power and control — (Interjection) — oh, our Premier has, he says. Has he sat down and really said to the Federal Minister of Agriculture, if you don't get off your milkstool and get with it, we're not going to have a farm community left to generate the grain that is adding to the wealth of this country.

Again, Mr. Chairman, if it wasn't for the grain moving down the Great Lakes system in this country today, there would be nothing happening in this country. There is not a pound of iron ore coming back up that system. The raw materials that we traditionally ship out are not moving because of the stagnation of the depression in our economy. Agriculture is number

one, and who is using it to their advantage? It isn't this Minister to the advantage of the farm community. He's sitting back saying, we've got \$10 million to divide amongst three groups of people and we'll leave it at that; we'll play games.

Mr. Chairman, I'm terribly disappointed in what we're sitting here debating. It's a meaningless program and I guess the answer that I have to the farm community is, we have a Minister who is prepared to give you \$333 - no, that's not correct - we have a Minister who would have given you \$333 but there's now two other groups in society that have to share. You know, so it's a game; I have to refer to it as a "Mickey Mouse" program and I just, Mr. Chairman, can't understand why the Minister would have ever allowed himself to get trapped into an election promise and to further perpetuate that election promise with a program like he's introduced today.

HON. B. URUSKI: Mr. Chairman, the Honourable Member for Arthur is as full of air as he always, always is. He comes to this Committee stampeding and indicating, for example, he used the snow that the Federal Government has announced a \$2 billion program to revitalize the oil industry. The industry, Mr. Chairman, that has blackmailed the people of this country and which has been supported by both Liberals and Conservatives, that they should get more money at the expense of the farming community and all people of this country who are forced to pay those - now we're talking about world prices, world energy prices, not 75 percent of world prices - rates that your administration supported and still do.

The Conservatives want world prices in energy, Mr. Chairman. Even this \$2 billion that the member speaks of as being of assistance, I venture to say that nothing will happen in the oil industry. Because in the United States, the oil industry has had all kinds of incentives from the Reagan administration and, Mr. Chairman, they have closed down exploring in their home country and we will pour billions of dollars of incentives to the industry and they will not. They still will hold us to blackmail, Mr. Chairman. They will hold us up to blackmail because it won't be enough, because now that they have gotten the \$2 billion, what's the next step? Now, we want world prices for energy.

So, Mr. Chairman, the Member for Arthur who says that the Federal Government has not lived up to their responsibility to the agricultural sector in this country, both credit-wise and the like, there is no disagreement there at all. We have made our views known. I have made my views known in the one Federal-Provincial Conference that I was at. We have attempted to have other meetings with them. They have not responded on issues of income stabilization and farm policy. We hope that there will be a future opportunity and there will be one in the next six weeks that we will have an opportunity to raise these issues again, but for the Member for Arthur to somehow come here as if he was a knight in shining armour as the defender of the farm community, the farmers of Manitoba, his shining armour was somehow rusted out after his four short years in office and he is trying to polish it up and revive the image.

In fact, Mr. Chairman, it's highly ironic to have the Conservative members speak so well and so so-called

supportive of the farm community when, in fact, during the four years they were in office, there was virtually no assistance to the farm community in terms of really adequately helping farmers with their incomes, with their assistance, and to come here to this committee and say that this program is nothing.

Mr. Chairman, we said that the program was of limited assistance. We didn't hide that fact when we announced it. We said that this program was of limited assistance, that it could not help everybody, that we were going to try to help the people who were in the greatest need, although in some of the areas, we might have liked to have greater take-up of the program. But I would have to say if you compared this program even with our neighbours to the east, after four or five months if I recall, in the Province of Ontario they had an interest rate program and they were having less than 50 applications approved after half-a-year of the program.

I want to say to the Honourable Member for Arthur that there is no new staff in this component of the program that has been hired in the Department of Agriculture, Mr. Chairman. There is no new staff in terms of the agricultural component. We are using departmental staff in the field. We are using MACC staff and those are the people who are administering the program. There is clerical staff that has been hired under the housing component and there are some staff that have been hired under the small business component, but for the members of the Conservative Party to come to Committee and say, well, this is nothing. Well, Mr. Chairman, in terms of what they proposed to the people of Manitoba, this is a huge program because it does assist and try to assist all sectors of the economy - the homeowner, the small business person and the farming community.

What did they propose? To throw out a few dollars to be spread amongst everyone, to be spread amongst the bulk of mortgage holders and, in fact, if you analyze their program, not helping those in greatest need, but trying to spread it out amongst the bulk of mortgage holders. Bring out your program, the one you announced, and do an analysis on it and see who it will help. Take that program out and let's examine it, what you proposed, Mr. Chairman.

MR. CHAIRMAN: The Member for Tuxedo.

MR. J. DOWNEY: Can I not finish my comments?

MR. CHAIRMAN: The Member for Arthur.

MR. J. DOWNEY: Mr. Chairman, I want to just finish my comments, I think it's important - if the Member for Tuxedo doesn't mind for a minute - because the Minister has referred to the fact that he had a meeting with the Federal Minister, that he was planning a meeting sometime - he looked at his staff to see - some six weeks down the road. Mr. Chairman, I want to put on the record, the performance and some of the activities that took place in the last year because of the high interest rates that were affecting the farm community, it's in the Government News Service release that went out May 15th of 1981. That's just somewhat a year ago, Mr. Chairman.

At that particular time there was a meeting called in

Ottawa - the Provincial Ministers requested a meeting with the Federal Government - to point out to the Federal Minister the difficulties that the farmers were having with the high interest rate problem. Okay? The Federal Minister gave us very little support and indicated that there was little he could do.

MR. CHAIRMAN: Order please.

MR. J. DOWNEY: But the point I am trying to make, Mr. Chairman, is that we did go into the area where the power and control was. We did tell the Federal Minister of Agriculture that the farm community were suffering under their high interest rate policy. Mr. Chairman, we did. We put that point across. All the Ministers were concerned and we made it very clear.

Mr. Chairman, at that same time - and it's in my public press release and I do say to the Minister - (Interjection) - it's in the press release if the members are interested in listening or looking it up. In the meantime, we recommended to the Federal Government, the Federal Agriculture Minister, that the farm community be exempt from the Federal Government's tax of three to four cents per gallon of fuel which was being used to buy Petrofina and PetroCan stations, a good commonsense approach. Mr. Chairman, as well, we asked that the producer should be exempt from having to pay the natural gas tax which is adding to the cost of some nitrogen fertilizers made from natural gas.

So the Minister sits here saying, what did we do? We, Mr. Chairman, a year ago pointed out to the Federal Minister the problems that were facing the farm community and identified them as high interest rates and we had, I would say, a good opportunity to put those points across.

Further to that, Mr. Chairman, we can go to the announcements made by the Manitoba Agricultural Credit Corporation, increase the loan rates from \$150,000 to \$200,000, introduced a debt consolidation program, but we didn't introduce it as this Minister of Agriculture introduced it, that we were going to support every farmer and put it in place for everybody. But I'll tell you, Mr. Chairman, those farmers that went and were accepted did receive some meaningful help. That, Mr. Chairman, is not happening today.

The amount of funds that are available is \$10 million, that we are talking about in these Estimates, are of no meaning at all, not to the farm community, not to the homeowners and not to the small businessman, Mr. Chairman. I challenge them, Mr. Chairman, to make it work. There are not enough funds to do it.

MR. CHAIRMAN: Mr. Minister.

HON. B. URUSKI: Mr. Chairman, just so the honourable member knows that he is saying there has been no benefit to the people of Manitoba, there have been approvals to date that I have indicated of \$600,000 of the applications have been approved, to the farming sector; approximately \$350,000 have been approved to be paid out in the housing sector and an additional \$400,000 approximately, or more - (Interjection) - yes, these will be when the full benefits are paid out. I am giving the projected payments of those that have been approved up to this point which will amount . . .

I'm sorry, the figure for the projected one-year approvals on the program is \$1 million for the farming section - I said, \$600,000 - this is the actual approvals. These are actual monies that will flow in this year based on the approvals that have been made. — (Interjection)— Well, Mr. Chairman . . .

MR. CHAIRMAN: Order.

HON. B. URUSKI: And \$350,000 for housing, \$400,000 for the business sector, Mr. Chairman. Approximately \$1.75 million which will flow to the people who have applied and are in the greatest need over the next two years under this program.

MR. CHAIRMAN: The Honourable Member for Tuxedo.

MR. G. FILMON: Thank you, Mr. Chairman. In addressing this topic I'm very surprised at the Minister of Agriculture giving us some lessons in economics here today and telling us about how the Conservative Party has supported high interest rates in this country, and complaining about the Liberal policies with respect to energy pricing in this country, particularly when most economists and financial experts agree that high interest rates are tied directly into high inflation rates. More so than that, his party federally returned the Liberal Party to office in the last election, by siding with the Liberals to defeat the Conservative Government put them in office. So therefore their policies, federally . . .

MR. CHAIRMAN: The Member for Inkster on a point of order.

MR. D. SCOTT: Point of Order, Mr. Chairman. Once again the Member for Tuxedo was trying to misrepresent history. The NDP did not back up the Federal Liberal Party. As a matter of fact it was an NDP motion of non-confidence that the Liberal Party backed up.

MR. CHAIRMAN: The Member for Tuxedo.

MR. G. FILMON: I'm glad to hear the Member for Inkster admit that they were in bed together; regardless of who was on which side of the bed, they were in bed together — (Interjection)— please, I wish the Minister of Economic Development wouldn't try and sidetrack me while I'm concentrating. In any case it's the same policies that are being practised by this government that lead to high inflation rates because of excessively high increases in government spending, 18 percent increase in their very first year of office which will probably be 20 percent by the time all the figures are in, caused high inflation rates which, ergo, cause high interest rates. It's this party, this government and their friends in Ottawa that are promoting the high interest rates that are killing the country. Here he says it's the Conservative policy - that's absolute nonsense.

The fact of the matter is that it's not what you say you believe in, it's what you do by your actions that really count and your actions are producing high interest rates today, and that's exactly it. You can tell people all you want about where you stand on interest

rates but it's what you do that counts — (Interjection)— that's the greatest form of economic hoodwinkery that I've ever seen.

MR. CHAIRMAN: Order, order. Hansard is having difficulty picking this conversation up. Maybe it was a good suggestion somebody made earlier, that we settle our differences in the hall then come back in here. The Member for Tuxedo.

MR. G. FILMON: Well, Mr. Chairman, I've rolled up my sleeves while I've been talking. Mr. Chairman, the Minister of Agriculture says the Conservatives say, that they're supportive of the farm people but their policies didn't help the farm people. Well, I say, the NDP say that they're supportive of those people who are disadvantaged, poor, on fixed income, the elderly but their policies work against them because their policies are inflationary. Inflation reduces the buying power of the people on fixed income and therefore they're killing the very people they say they're helping — (Interjection)— absolutely. Their policies of extravagant government spending are killing the very people that they say they're helping, Mr. Chairman.

The Minister of Agriculture, in the way he is confused, in the way he's attempting to confuse the public by what he's saying, reminds me a lot of Clarence Darrow - not by his demeanor or his ability - but once Clarence Darrow said, "All my life I've suffered from being misunderstood. However, I think I'd have suffered a hell of a lot more if I'd been understood," and I think that's exactly the position the Minister of Agriculture is in. As long as people misunderstand him he's in good shape because if they ever understand him, then he's in trouble. I think this whole thing is an absolute pack of nonsense.

The Minister is criticizing what we said we were going to do. At least we recognize the magnitude of the problem. This government has suggested that they're going to spend \$23 million to help everybody, so no person will lose their farm - spread over two years - no person will lose their home or their small business or anything. At least we said that the problem was going to take at least \$60 million, for one year, to even have some positive effect — (Interjection)— the Member for Inkster says it was only to rescue everybody who'd gone in over their heads. Well, you tell the farmers today who are losing their farms that they've gone in over their heads, that they've made inadvisable investments, you tell them that because I tell you, I'd like to be there when you tell some of those farmers they've gone in over their heads, or some of the small businessmen, or some of the small homeowners who have bought their first homes. — (Interjection)— The Member for Inkster's got all the answers except that he doesn't understand the problem and the first step to the solution of the problem, is to understand it.

MR. CHAIRMAN: Order. Order. I believe if you would take turns at speaking one at a time we would all be understood and we'd get out of this Committee eventually. We're not making any progress whatsoever, Mr. Minister. The Honourable Member for Tuxedo, have you finished with your remarks?

MR. G. FILMON: Mr. Chairman, I don't think some of the members want to get out of this Committee, they're enjoying it. This obviously is a forum for some of the strange ideas that are bound in the New Democratic Government and we might as well put them all on the table, because if they believe that the only people who are having difficulty today are the people who made inadvisable investments and went in over their heads, then we've all got a problem.

So, Mr. Chairman, in addition to all of the various blows that they've delivered to the economy in Manitoba in their six short months, including not the least of which was the 1.5 percent payroll tax that's going to put people out of business, out of jobs and all of the other things, we'll just wait to see what positive effect their \$10 million program has on the public of Manitoba.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

HON. B. URUSKI: Yes, Mr. Chairman, I didn't make a comment with respect to comments made by the Member for Arthur when he indicated that he had a press release indicating he was telling the Federal Government that interest rates were hurting the farmers of Manitoba. What a contradictory statement that must have been when his Minister of Finance, in the spring of that year in this Legislature, his own Minister said that as far as his government was concerned the monetary policies of the Federal Government were sound, Mr. Chairman. That's what he said. How could the former Minister of Agriculture, the now Member for Arthur, come here to this Committee and wave a bunch of press releases - and that's all they did, Mr. Chairman, for four years, they waved a hell of a pile of press releases - they waved a heck of a pile of press releases to the people of Manitoba telling them what they were supposedly doing and really not being effective whatsoever, Mr. Chairman?

The Member for Tuxedo in his comments about our programs being inflationary and giving the members of the Opposition a lesson in economics.

Mr. Chairman, the Member for Tuxedo said that our program is inflationary. It would be the same kind of an accusation we received over four years when we provided an option to many of the farm community who wished to, couldn't get into farming where people were retiring and the people of Manitoba purchased the land from retiring farmers and leased it to new farm families. The Conservative Party went up and down this province saying that the government was in the land-buying business and that was the reason that land prices were escalating. Well, Mr. Chairman, for over the last four years, the government has been out of the land-buying business and what has happened to land prices in the Province of Manitoba over the last four years? They have skyrocketed as ever they have been. The only thing that now is holding land prices down, Mr. Chairman, is that net incomes of farmers have been dropping. Even though net incomes of farmers have been dropping over the last three years, Mr. Chairman, land prices have escalated. To put out some of that kind of garbage that is coming out of members from the Conservative Party, is just pure that, pure garbage in terms of analysis of how the

economy has worked and what the government has been doing.

Mr. Chairman, let's deal with the program that we have put into place in terms of the Interest Rate Program for homeowners — (Interjection) — all right, we'll leave that until after. I'll stop right here.

MR. CHAIRMAN: Order. The Minister of Natural Resources.

HON. A. MACKLING: Mr. Chairman, I just wanted to indicate that I appreciate the problems that the members of the Opposition have in dealing with this item because they do have a problem because they are not in government. They did make promises; they didn't deliver on those promises. They have a problem. How do they criticize this question? The honourable member spews out a lot of argument and it sounds like it's very objective, very constructive, indicating that they would have done more and all the rest of it. But then, inadvertently, he lets his real thinking out when he uses certain words and he says, you know, that we should be concerned with the fight to fight higher inflation and what we have been doing is fueling the inflationary problem.

Now, if the honourable member is being fair and logical, he is saying then that we shouldn't have been assisting anyone in respect to the interest rate problem; shouldn't have been spending this money because we're creating a problem; we're raising the problem with inflation. That's really what he's talking about — (Interjection) — Yes, the Honourable Member for Inkster is saying, acute protracted restraint. That was the philosophy that was adopted by the Conservative Government during that period and we saw what happened with the economy of Manitoba. But then the honourable member is one of a group of colleagues who during the course of Estimates review have been urging us to spend, spend, spend more on all sorts of various items. That's right. Now, to sit here and say that our programs are fueling the inflation, our programs to assist homeowners, to assist farmers, to assist small businessmen are creating problems for those people we're trying to help, is illogical and distorted.

The honourable member is part of a political group that have endorsed higher interest rates. Yes, Sir, they have indicated that our economy has a price to pay to fight inflation and one of the ways they're going to fight inflation is to make money scarce. The way you make money scarce is you have high interest rates and that's what you do. You reduce the money supply to fight inflation and that has been the philosophy, that has been the underlying concern of the Progressive Conservative Party, not just in Manitoba, but throughout Canada and that has typified their position. And for them to talk about the plight of the farmer when they, as a National Party, wholeheartedly endorsed higher energy costs in this country that affect the Honourable Member for Arthur particularly — (Interjection) — farmers, yes, the higher energy costs. But the Progressive Conservative Party throughout Canada has been fighting for even higher energy costs than what we have today and that's the truth, Mr. Chairman, and that's the kind of problem that the honourable members have across the way

that they have to rationalize.

MR. CHAIRMAN: The Member for Arthur.

MR. J. DOWNEY: Mr. Chairman, I want to correct one statement that was made by the Minister of Natural Resources and that is, it's simply not true that the Conservative Party nationally supported higher energy prices for the sake of promoting higher energy prices. They came clean with the people of Canada and said that there would be an increase of 18 cents a gallon. What is that increase today, Mr. Chairman? What is the increase today under the government that the Member for Inkster said, that the New Democratic Party under Ed Broadbent introduced a resolution that defeated the Joe Clark Government; they were supported by the Liberals. Now, we have energy prices that are unconscionable and it's to pay for the high cost of government as well as the higher energy costs, Mr. Chairman.

So, don't let the Minister of Natural Resources sit here and say that the Minister of Agriculture supported higher energy prices.

MR. CHAIRMAN: Order. I believe it would be easier to control the conversation going around if you directed your comments toward the Chairman, and then you people wouldn't get that excited.

MR. J. DOWNEY: Thank you, Mr. Chairman. Through you to the Minister of Natural Resources, Mr. Chairman, we were strong supporters of using alternative energy sources for the farm community with the Gasohol Program and the removal of taxes. Who reimplemented the taxes on the gasohol in the Province of Manitoba? It was the New Democratic Party that did that, Mr. Chairman. You know, those are the kinds of misleading statements and I'm not going to let, through you, Mr. Chairman, the Minister of Natural Resources make. We came clean with the people of Canada. That's something that the Minister of Agriculture is not doing. He's trying to fool the people with the ill-conceived Interest Rate Relief Program that is of no meaning at all to the total farm community, Mr. Chairman.

MR. CHAIRMAN: The Minister of Economic Development.

HON. M. SMITH: Mr. Chairperson, I came to this Committee thinking that we were going to be discussing the Interest Rate Relief Program as it relates to householders, small business people and farmers. Somehow, up to now, the main analysis seems to be directed to the plight of the farmers with which, I might add, Mr. Chairperson, I and my colleagues have a great deal of sympathy, but the kind of sympathy that we have is related to the reality of what's going on out there.

In the election campaign, I and my colleagues said that we would move with an emergency-type program and that is, in fact, all that the Interest Rate Relief Program ever claimed to be and all that it could be. But the design was such that the people in the most need, the people who were most vulnerable, the people who were most likely to go under in the current economic

difficulties were to be the people that the program was designed to help.

If, Mr. Chairperson, the members opposite are having trouble understanding why there are farmers, or homeowners, or small business people who come within the criteria that the program design has, it may be, Mr. Chairperson, that they're accustomed to dealing with the top 20 percent in those categories. Now, that doesn't surprise me because I think that if those are the people you call your friends, and those are the people that you are aware of, and those are the people you measure everything by, well, of course, you're going to look at our program and say, that it's inadequate and it's not going to meet the needs of many people. But I submit to you, Mr. Chairperson, that if we had been listening carefully to the program as it is designed, we would have heard figures like this - I heard these figures - that the Farm Relief Program was intended to help 70 percent of the farm community of Manitoba. Now, of course the gross receipts are relatively low and the amount of money offered per farmer is relatively small, but those are the majority of the people in the province who hurt the most in the current economic recession. Mr. Chairperson, if the perspective of the members opposite is so restricted that they are unable to acknowledge that fact, then I really do feel that they are more myopic and insensitive to the plight of the majority of the farm community, or the majority of the small business community than even I used to think.

So I recommend that we go back to the program itself. If the members opposite have legitimate criticisms on the design of the program; if they have some helpful ideas that could make this admittedly emergency program work more effectively to help more people weather the difficult times and come through and be back on their feet again, Mr. Chairperson, I for one, would really welcome that type of criticism and I will listen very attentively if I hear that type of debate.

I don't know. We seem to have been going way off into the federal election again. I rather thought that my colleagues at the federal level were given a choice, I suppose, between having Joe Clark in power and Pierre Trudeau. They took the lesser of two evils, if in fact their actions led to that. However, my hearing of what my federal colleagues say when they are talking about the economy is, they are trying to address the real problems of the majority of the people and I submit that this emergency program is attempting to do the same thing. It is looking at where the majority of homeowners are in their range of income and how to pitch the program so that we help the most vulnerable; the same with the farmers; the same with the small business people.

We are interested that the help be well targeted, certainly with the Small Business Program. We're watching the rate of payout and the —(Interjection)— well, you know, it's very easy to make facetious comments about a program, but to design a program that's really going to work so you have some idea of how you have targeted it, how much money you might be liable to, how much leeway you have to ease up later if the thing is not moving as expected, it's not a thing that happens overnight. It's not just something where you jump up and down and say, well, let's make it this or let's say how many farmers there are in Manitoba and

divide them equally into the amount of money.

That's the problem we're trying to address. Some people have got a lot of money and some don't have enough. We're trying to help the people who don't have enough at the current system to survive and get through - not with any great ease. We don't have much money to spread around, but we're at least trying to see that what we've got is targeted and it is going to the people who are hurting the most.

I think if the members opposite would pay a little bit more attention to the design of the program, they'd realize that when they're criticizing it, they are rejecting the basic needs of 70 percent of the farm community and 80 percent of the small business community. Now, you can say those people don't matter and that we should only be tossing around the money to the well-to-do, but is that really what we want to accomplish with it? It's not what we wish to accomplish. If the members opposite wish to design a program that way, they had their opportunity, they didn't do any program. Just because you can't achieve perfection is no reason for doing nothing. We've done the best we can with the resources we have at hand and we are watching it carefully to moderate it as we go, because we think that's the best way. Design it as well as you can. Learn as you go along. Spend the public money the best, most responsible way you know how.

Thank you, Mr. Chairperson.

MR. CHAIRMAN: The Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Chairman. It's encouraging to now hear the Minister of Agriculture in introducing this program, and now the Minister of Economic Development telling Manitobans that their leader, the now Premier of this province lied to the people of Manitoba. It's as simple and as clear as that, Mr. Chairman, and it is indeed encouraging that they are now coming across with the truth.

The Minister of Agriculture says, well, you know, we intended not to help everybody with this program. We intended only to help those that were in dire need and the Minister of Economic Development just reaffirmed that. She said, oh well, you know, this program wasn't going to help everybody. It's only going to help the people in most need and we're trying to target it and we're going to very nicely develop this program, watch its formulation and all of the niceties in it. Meanwhile, the people with real need are going broke whilst that Minister of Economic Development and the Minister of Agriculture watch on while this program develops nicely and we see how it works.

But what the Minister of Agriculture and the Minister of Economic Development don't seem to want to admit to is that on September 29th, 1981, their leader, the now Premier of the Province, said in a report from the Legislature to his constituents in Selkirk after describing that Manitoba could ease interest rate crisis, and he ends with this paragraph. I want the Minister of Economic Development to listen very carefully to this and the Minister of Agriculture and even the Minister of Natural Resources.

I quote from their leader, the now Premier of this province, September 29th, 1981, "An NDP Government would introduce a comprehensive interest rate plan to guarantee that no home, farm or business in

Manitoba is lost because of high interest rates. I think that is the least which can be expected of the province." That's your leader speaking on September 29th, 1981. He follows it up, Mr. Chairman, in the constituency of Springfield. This is October 23rd, Friday, during the election and he is meeting with a group of hog producers and farmers 12 miles south of Beausejour. Do you know what your leader, the now Premier of this province, the head man in the Cabinet that those three Ministers are sitting at, said on October 23rd, 1981 during the election? "There are measures that can be taken by the Manitoba Government that will allow no home, no farm to be foreclosed upon because of high interest rates."

But we've just heard from the Minister of Agriculture and the Minister of Economic Development, oh, that wasn't the intention of this program. It was only meant to help the ones in need. But it is said, no home, no farm. Now, the classic one of them all for election material is this document, "A Clear Choice for Manitobans - Policies of the Manitoba New Democratic Party" and what does it say, Mr. Chairman? For the information of the Minister of Agriculture, the Minister of Economic Development and the Minister of Natural Resources, it —(Interjection)— pardon?

MR. CHAIRMAN: Order.

MR. D. ORCHARD: We have seen it. I don't know whether the NDP saw it during the election but there is this fellow in here who looks very tough, very forceful. I don't know how they got this picture of Howard Pawley but he is the meanest looking son of a gun I have ever seen. This mean looking picture is signed and we should get a handwriting expert to verify this signature of Howard Pawley because we're not sure that he actually was the man that signed this because his Ministers are now shafting him and knifing him in the back by saying that he lied to the people of Manitoba in this document.

What it says, Mr. Chairman, is with ManOil and Manitoba Hydro, we can develop programs to guarantee that no Manitobans lose their homes or farms due to high interest rates. That's a promise we can guarantee, signed by Howard Pawley and we can get an official clarification and proof as to whether Howard Pawley really signed this. Then maybe we should even get him to take a lie detector test to make sure that he was telling the truth when he puts this out for all Manitobans during the election campaign.

Now, ladies and gentlemen, what do we see? Well, here is a press release on February 5th, 1982 from the Minister of Agriculture and it's entitled, from the news services, "Manitoba Launches \$23 million Interest Rate Relief Program" and it goes on page after page after page. But here's what the Minister of Agriculture said on Page 3, "Mr. Uruski" and I quote from this news release that obviously . . .

MR. CHAIRMAN: Order. Before you continue I wonder if I could bring something to your attention. It's been ruled in the past that the use of the word "lie" is unparliamentary, so I would hope that you would not be using it again because I think you shouldn't have used it in the past statement. So possibly you should withdraw that remark.

MR. D. ORCHARD: Certainly I will, Mr. Chairman. Now, Mr. Chairman, in this press release, and bear in mind that this is February 5, 1982, after the election; after Manitobans had been exposed to: before the election, Howard Pawley's promise in his news report; after, in the heat of the election campaign, he guaranteed it to farmers at Beausejour and it was reported in the Winnipeg Free Press; after Manitobans were exposed to this election document, here's what the Minister of Agriculture said. Page 3, "Mr. Uruski stressed the program," and I assume he's talking about the total program, but he's talking about the program of Interest Rate Relief, "is geared to assisting those homeowners with lower moderate income and smaller businesses and farms in economic hardship as a result of high interest rates. This is consistent with the government's commitment that we would not be prepared to use tax dollars except for hardship cases."

Now, Mr. Chairman, who is being inconsistent in the Interest Rate Relief Program? And this is why Manitobans across this province are faced with a dilemma. They don't know when to believe the Premier of this province. They don't know when to believe a statement that he says is truth, half-truth, or untruth; they don't know because 47 percent of Manitobans voted New Democrat in the last provincial election - and no one can tell me that possibly enough of them to make that party win the election didn't vote on the basis that no farm or home would be lost to interest rates. A lot of people would have read this report from the Legislature, from the then Leader of the Opposition, where it says, "An NDP Government would introduce a comprehensive" - not a "Mickey Mouse" program like the Minister of Agriculture is now trying to sell the people of Manitoba in fulfilling an election promise - but "a comprehensive interest rate plan to guarantee that no home, farm, or business in Manitoba is lost because of high interest rates."

Now people voted for the New Democrats on account of those kinds of promises and, Mr. Chairman, I apologize to you and members of the Committee and, particularly, I apologize to all Manitobans for accusing the now Premier of this province of lying to the people of Manitoba during the election; I apologize for that. I really and sincerely apologize and I feel sorry for the people of Manitoba that voted for that kind of a false promise, before, during and after an election campaign because what they have got now is a New Democratic Government that is not living up to their promises.

Now, what's the Minister of Agriculture telling us? What's the Minister of Economic Development telling us? Well, it's a targeted program, it's going to go to selected people. We're going to sit back, and we're going to analyze, and we're going to watch, and we're going to monitor, and we're going to study and we're going to look at this. And, if necessary, after 100 farmers go broke; if necessary after another 500 businesses go broke because of high interest rates; if necessary, after 50, 75 or 200 homeowners lose their homes because of interest rates - well, we may change the criteria in the program and we may try to live up to the promise made by their leader, that no farm, no home and no business would be lost due to high interest rates. But meanwhile, we're going to let those people go broke and we're going to justify it in our

political ideology.

HON. B. URUSKI: How many have gone broke solely on account of high interest rates?

MR. D. ORCHARD: Particularly if the Minister of Economic Development is going to justify it in her political ideology, that the people that are going broke in the farm community are those top 30 percent who are enemies to the New Democratic Party. So it's all right if the enemies in the top 30 percent who are excluded from interest rate relief in the farm community go broke; that's quite all right in her estimation because those people are enemies of the system that she wants to bring onto Manitoba.

Now, the other 20 percent of the businesses that don't qualify for this program, this business Interest Rate Relief Program - well the Minister of Economic Development said right now she's going to sit by and she's going to watch. She's going to watch more of them go broke because, in her words, those 20 percent are friends of the Conservative Party and I would interpret that she believes they deserve to go broke for being friends of the Conservative Party.

Now, that's what we have to interpret; that's what we have to interpret because this Minister of Agriculture and his two cohort Ministers are developing . . .

POINT OF ORDER

MR. CHAIRMAN: Point of order.

HON. A. MACKLING: The honourable member is using language which is mischievous. My colleague did not use the words the honourable member is using and he's implying that she has said a state of fact that is not, and he knows it. So he's abusing the privileges of this Committee. It is a point of order.

MR. D. ORCHARD: Mr. Chairman, I don't believe, number one, that the Minister of Natural Resources had a point of order and the mischievous words that I'm using are quotations from his Leader, Howard Pawley, who is now the Premier of this province - (Interjection) - well, she's the Deputy Premier.

MR. CHAIRMAN: I believe there was a point of order. You were referring to the Minister of Economic Development and the statements she made, so you're misleading her . . .

MR. D. ORCHARD: That's right, that's what she said - (Interjection) - well, what did she say then?

MR. H. ENNS: She said they were probably our friends . . .

MR. D. ORCHARD: And therefore they should go broke.

MR. H. ENNS: You shouldn't be expected to tailor a program to meet our friends.

MR. CHAIRMAN: Order please.

MR. D. ORCHARD: Mr. Chairman, can I now con-

tinue? Thank you, Mr. Chairman.

MR. CHAIRMAN: No, I believe there was a point of order.

MR. D. ORCHARD: There was a point of order?

MR. CHAIRMAN: Yes, there was.

MR. D. ORCHARD: Well do you want me to speak to the point of order, or what?

MR. CHAIRMAN: If you prefer to, sure.

MR. D. ORCHARD: Well sure, I don't believe that the Minister of Natural Resources had a point of order. He's in the habit of being wrong on his points of order in Committee here. Furthermore, Mr. Chairman, as a matter of fact we even beat you in Committee one day, where you had a point of order that you ruled in favour of, I believe, the Minister of Natural Resources.

Well, you know, if it's mischievous to quote the Deputy Premier and, more particularly, mischievous to quote the Premier of this province, Howard Pawley, who signed documents, who wrote articles to his local newspaper, if it's mischievous to quote Maureen Brosnahan in the Free Press, well I don't know what . . .

MR. CHAIRMAN: The hour is 5:30, I'm leaving the Chair. We'll reconvene at 8:00 p.m.

SUPPLY - CROWN INVESTMENTS

MR. CHAIRMAN, J. Storie: The Committee will come to order. We'll continue with the Department of Crown Investments.

The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Thank you, Mr. Chairman. Could the Minister advise the committee, with respect to ManFor, when the present studies that are under way are expected to be completed? What's the cost sharing arrangement on the 800,000, is it a 50-50 split, and what is the status of negotiations with Repap while these studies are ongoing?

MR. CHAIRMAN: The Honourable Minister.

HON. W. PARASIUK: It's projected that the studies will be completed by the fall of this year and the cost sharing is 76 percent federal and 24 percent provincial.

We have had discussions with Repap; we've informed them that the federal studies are under way. We believe that this is a necessary requirement for federal funding and Repap themselves had acknowledged, in their discussions with the previous administration, that their involvement in the project would be conditional upon some federal funding. We believe that it is important to get as much federal funding as possible in that project. Federal funding has been made available to pulp and paper projects in Eastern Canada and we believe that we in Manitoba deserve our fair share as well.

As I've said, we've had a very good meeting with the Honourable Herb Gray. Prior to that, we've had a

meeting with the previous Minister, Mr. De Bane. We've had a further meeting of the Western Cabinet Committee of the Federal Government. They know what we want. We're now trying to put together, we hope, what would be the final pieces to ensure that we do get the federal funding to enable us to proceed with some significant investments with respect to the ManFor Project. The ManFor project does have some problems in that the Federal Government has negotiated away some tariff protection for kraft paper.

MR. B. RANSOM: Mr. Chairman, the study that is being undertaken now with the Federal and Provincial Government, is that designed as an independent investigation to satisfy the Federal Government of the viability of the operation? I gather that the company, Repap, have done their own analysis and had determined to their satisfaction that there could be a viable plant operating there. So, is this study being done then by the Federal and Provincial Governments simply to confirm that?

HON. W. PARASIUK: I didn't quite catch you comments. Did you say that the Provincial Government had done a study or that Repap had? Well, Repap's study said that there was viability as long as there was very significant public input of one type or another. Now if that public input isn't available, the viability of the project isn't there. What the Federal Government wants to do in conjunction with us, and we think this is a fair enough exercise because everything that Repap did was structured towards a particular proposal. Options weren't investigated; they basically looked at one particular proposal from their perspective and that's what they came forward to the Provincial Government with. In fact, one of the problems that I think exists and existed in the previous government's approach is that it was difficult to determine exactly who the consultants were working for. Were they working for the Provincial Government or were they working for Repap? That creates some difficulty.

There is a study that exists indicating that it will be looked at by the people that are doing the work right now, but it'll be a government report, clearly defined as a government report. Discussions will continue with Repap and possibly others as this proceeds but Repap isn't out of the picture. At the same time their proposal was very conditional upon federal support, which prior to December, 1981, hadn't been forthcoming and indeed their previous financing had run out, so they had to look and are looking for new financing arrangements. Repap is still a possibility, but everything is predicated on federal input. So, we, in fact, are going to do this on a joint basis to reach a common and joint understanding as to what the best options with respect to that complex might be.

There are various tentative options that one could look at and they range in expenditure amounts from \$5 million to \$10 million, to \$400 million possibly. It's a matter of exploring those options and coming to some joint understanding and agreement as to what makes best sense given the present and future projections.

MR. B. RANSOM: So, is the study being done then to satisfy the Federal Government as to what the viability of the given type of operation would be, given a cer-

tain contribution by the Federal Government, that if they are going to put in X millions of dollars, that under those circumstances whether or not the operation would be viable? Is that the purpose of the investigation?

HON. W. PARASIUUK: It's for both parties to understand all the options. The wood supply is a very major issue and it is important to come to that joint and common understanding because frankly, from what I can gather, that joint and common understanding didn't exist before and it is important, as I said, for this project to have viability, to have a significant public input, which in the past hadn't been forthcoming. Also it's important — we think it's important — to involve ManFor for itself, completely and totally in this study process and that's what is being done at present.

MR. B. RANSOM: Mr. Chairman, I was always under the impression that there had been rather extensive work done on the wood supply aspect, for instance, by companies that had been interested and indeed by the government. Can the Minister advise the committee what additional work is going to be undertaken within the parameters of this study to further examine the wood supply question?

HON. W. PARASIUUK: The ManFor people and our own forestry people have looked at the question of wood supply and say that the costs are a very critical issue the further you get away from the ManFor site itself, and that's why the work is being done again to ensure that everyone has full agreement as to what it says.

MR. B. RANSOM: Then, Mr. Chairman, I'm interested in what work is being done again. Are they out doing more, recrusuing the area from a timber point of view, or are they reworking old information that's available? I don't understand quite what they're going to do in terms of assessing the wood supply.

HON. W. PARASIUUK: They are taking a look at the base figures and reworking those. They are also taking a look at reforestation in a very careful manner because it is their opinion that the costs regarding reforestation were significantly underestimated and that requires some detailed work, plus looking at the actual costs of lumber brought in. This can entail road access and other aspects like that.

MR. B. RANSOM: The Minister spoke of a possible range of options of investment ranging from \$5 million to \$10 million investment on up to \$400 million. It seems to me that the \$10 million figure was one that had been mentioned by the Leader of the Opposition, or the Leader of the New Democratic Party, during the election that \$10 million might be invested in ManFor. Could the Minister advise the committee on what sort of work would be done for that kind of money and how would it affect the viability of the operation?

HON. W. PARASIUUK: Well, the \$5 million to \$10 million figure relates to sawmill modernization. Indeed, the Board of ManFor had in fact made recommendations to the previous Minister, I would assume to the

previous government, suggesting that investments, I think some time ago, in the order of \$2.5 million to \$5 million, could it have provided sawmill modernization and improvements. That would have dealt with the sawmill. That's one range of option, is \$5 million to \$10 million now, plus a tentative estimate at today's prices.

Another option might be to improve the existing pulp and paper complex. That's in the order of 50; again, these are tentative.

Another option might be to convert the present kraft complex to a bleach kraft one. Again, that's in the order of \$100 million.

Then the other option would be to look at expansion to the sizes that could be 700, 800, or 1,000 ton per day. Again, we're talking there of an amount of expenditure that could range from between \$280, I guess, to \$400 million. Those are the ranges of options that exist; the detailed technical work is about to be launched.

MR. B. RANSOM: The Minister made reference to GATT negotiations as having had an effect on the ManFor operation. I wonder if the Minister would advise the committee then, what's the annual impact of those negotiations on ManFor operations at present and are the effects sufficiently detrimental that the operation simply is not going to be able to continue on in the present form of operating.

HON. W. PARASIUUK: We can check for the specifics, but the tariff right now is in the order of 15 percent and over a period of, I think five, seven years, it'll go down to zero. What that'll do, it will allow the American companies — I won't use the word "dump" — but to use their end-run production with respect to kraft paper and possibly — you know, there's some dispute within the industry on this — undermine the market completely. That's a bit difficult to judge its impact on this year, for example, given the slowness in the world economy, the sluggishness and the softness of markets everywhere, but certainly the concern is that our kraft product will become uncompetitive in terms of price when that tariff is removed. That's one of the reasons why I assume the previous administration was looking at other possibilities with respect to ManFor, why we are looking at those as well, but we certainly don't preclude the option of improvement to the existing kraft pulp and paper complex.

MR. B. RANSOM: Mr. Chairman, could the Minister tell the committee if there are active negotiations ongoing with Repap at the moment, if there are active negotiations or consultations or discussions with any other companies ongoing at the moment?

HON. W. PARASIUUK: At this stage, the discussions with Repap have been continuing. Until we get a bit further with the studies and until we can get some further clarification from the Federal Government as to what their intentions might be with respect to these options, it's difficult to take them much further.

We haven't had any detailed discussions with other groups to this time. We've had some preliminary discussions but not detailed discussions with other groups to this time. The pulp and paper industry generally has been very severely hit by the recession and I

think they've been concentrating or focusing their efforts on shutdowns and particular problems, so that we haven't had too many discussions.

When the Session ends, it would be my hope that we would talk to a number of firms just to see what their interest might be but certainly the discussions with Repap are indeed going on.

MR. B. RANSOM: Mr. Chairman, the Minister reaffirms that discussions with Repap are going on and continuing. Can the Minister advise when the government last met with representatives of Repap and who was in the delegation that met with them?

HON. W. PARASIUK: My Deputy met with them some time in May in Montreal. We have had ongoing discussions via telephones since - it was near the beginning of May that my Deputy had discussions with them and we certainly had discussions with them since that time. I think the latest telephone conversation was last Friday, so those discussions are proceeding.

MR. B. RANSOM: I assume that when the Minister says, his Deputy, that he is referring to Mr. Anderson and that the discussions are continuing. What is meant then by, "discussions are continuing?" What is going to take place in terms of discussions with Repap before the federal-provincial study is completed and is there any indication of how long Repap is going to continue those discussions? Is there a danger if the study drags on too long, that possibility is simply going to be lost?

HON. W. PARASIUK: Well, we keep each other informed in these discussions. We let them know how the study is progressing. Any material that they have, they've turned over to us. We want to keep informed of what's happening to them because one of the companies that they are associated with, Nitec, filed for bankruptcy under Chapter 11. This was in Niagara Falls and, of course, that was of concern to us because this is a highly levered company, as I am sure the previous administration was aware, and that in the time of high interest rates and cash flow difficulties, highly levered companies do run into financial difficulties. This is a company that Repap - indeed, it's in New York - they have a major interest in it and one of the principals - in fact, the company president who is also the company president in this instance indicated that they were filing for bankruptcy under Chapter 11. They were citing cash flow problems and interest rate problems and they were trying to bring about a financial restructuring of that company.

Of course, when you are talking to a party and they run into those difficulties with one of their operations, this is something of interest to us. We kept ourselves informed, they keep themselves informed and we have a good process of discussing these aspects, but as I said, those are matters that we're discussing with each other, keeping each other informed of events that are happening.

The Repap proposal has aspects to it that still have to be negotiated, but it's completely dependent on a federal contribution and it's important for us to, I think, ensure that we get a federal contribution. We feel that there are precedents for that in Eastern Can-

ada. As we said, we were prepared to sit down and I think there were attempts to get federal contributions in the past. Those, for one reason or another, weren't fruitful. If necessary, we'll go through the studies; we'll look at the options to ensure that we do get a federal contribution so that Manitoba gets its fair share of pulp and paper improvement money that the Federal Government has had available for Eastern Canadian firms.

MR. B. RANSOM: Is it fair to conclude from what the Minister said, Mr. Chairman, that there really are no negotiations ongoing with Repap? We are not talking about a proposal that is being actively negotiated, but that rather we are talking about a contact that's being maintained with the company.

HON. W. PARASIUK: They have submitted a new proposal to us and we have told them that we're looking at it and we want to get more clarification from the Federal Government as to what they will be doing and what they would be prepared to do. There is no sense our reaching agreements and saying, now, we need this much money and not having the money come about. So we have received a proposal; we are looking at it and we certainly will be getting back to them as we get more knowledge of what the possibilities are with respect to the Federal Government.

We don't know how much they would be prepared to put up and if they're not prepared to put up that much, it may turn out that the larger \$400 million investment may not be that viable. This is something that we have to explore and over the summer, that's what we hope to do.

MR. B. RANSOM: Mr. Chairman, I would like to move through the potash situation at McAuley to get an update from the Minister as to just what is happening there now. We have raised a number of questions over the past few months. I wonder if the Minister then would give us a current update on where the negotiations or discussions stand.

HON. W. PARASIUK: We've had communications back and forth. I hate speaking for the other party. We have observed and we're still waiting to see what might happen in Saskatchewan, in that Saskatchewan, we understood, was possibly going to pull out of Canpotex, the international marketing agency for potash companies in North America. There was possibly some intent to drop prices formally. That could have had a severe impact on the viability of a plant in Manitoba, Greenfield Plant. The notice had been given that was going to take place on July 1st.

I am not sure of what the situation will be as of July 1st because of the change in government. Saskatchewan Potash may decide to stay in Canpotex. The prices, although published form are lower than last year, there are a lot of discounts being offered and a lot of different terms being offered, but if the prices appear that they might get a bit firmer over the course of the next year or two, then the viability of the plant improves on the Manitoba side.

The other aspect is the policy of the Saskatchewan Government. I think Manitoba was a beneficiary, possibly in an ironic way, of the previous Saskatchewan

Government's desire to limit expansions of existing capacity in Saskatchewan by a number of private firms. The costs of expansion of an existing capacity is, I was told, in the order of a quarter of the cost of a Greenfield development and a number of firms were pressing the Saskatchewan Government to expand their capacity and this is when the prices were high. I think that pressure might have decreased a bit now that the prices are somewhat low and the inventories have built up, but if indeed the Saskatchewan Government to expand their capacity and this is when the prices were high. I think that pressure might have decreased a bit now that the prices are somewhat low and the inventories have built up, but if indeed the Saskatchewan Government allows a great deal of expansion of existing capacity in Saskatchewan at a quarter of the cost of what a Greenfield Development might be - I've been told that it ranges from 25 to 50; I want to just clarify that - the Greenfield Development being a lot more uncertain because you're sinking a new shaft. But if that takes place, then I'm not sure of the extent to which companies in the short run will be very interested in the development in Manitoba because Saskatchewan does have comparative advantage to Manitoba with respect to the quality and with respect to the fact that they've already got infrastructure, they've already sunk the capacity, they've got it there; it's an easier matter to expand.

However, we will be meeting as soon as we can after the Session because I wanted to spend some time with IMC and establish a process over the course of the summer before looking at this matter in depth, especially as we get more certainty as to what might be taking place in Saskatchewan. The situation right now is that the potash market is very soft; inventories have built up; there have been temporary shutdowns in some Saskatchewan operations.

IMC itself has been getting out of some of the areas that it had experienced difficulties when it diversified its operations and it suffered some losses and some problems in those areas. My understanding is that they're trying to divest themselves of those diversifications and focus their attention more fully on their mineral sides. So we hope, very shortly, to meet with them. I want to make sure I have the time to spend with them and I'm hoping that'll be sooner, rather than later and that depends a lot on the extent to which we stay in the House very much longer, but it's certainly my intention to meet with them by the end of June and to meet with them at a senior level. I've just had cursory discussions with some of the people. My Deputy and the Deputy of Energy and Mines have had more detailed discussions with them, but it would be my intention to sit down with them near the end of the Session and to pursue this in a manner that I hope will dovetail with what actually develops in Saskatchewan, which right now is a very large uncertainty and indeed I think has been quite a large uncertainty for the last six months.

MR. CHAIRMAN: The Member for Virden.

MR. H. GRAHAM: Thank you, Mr. Chairman. On the last quotation of the Minister, I can agree when he says there has been a lot of uncertainty for the last six months and that uncertainty, Mr. Chairman, exists

throughout my constituency and probably into some of the constituencies of the Honourable Member for Roblin-Russell, because there is a tremendous future there and the evidence that is appearing so far is that this Minister has so far done nothing and in doing so, he is slowly letting opportunity slide away from the Province of Manitoba. I suggest to you, Mr. Chairman, that we cannot allow that opportunity to slide away because there are other factors in the potash industry, that if we do not take advantage of the opportunity that is there now, we probably will never have as good an opportunity in the future.

I say that for several reasons, Mr. Chairman. No. 1, the climate that is presently prevailing in the opportunity for business development is greatly enhanced in the Province of Saskatchewan in the last month. One need only to pick up any trade magazines and the feeling of optimism in the business world is certainly greater now for the Province of Saskatchewan than it was before. I know that's a point of argument with the Honourable Minister because the philosophy that he espouses is probably somewhat different than that which is held in the business world at large.

The second point is the need to provide some additional tax base for the Province of Manitoba. We have seen the Minister of Finance bring in a Budget with a record deficit. We heard the news today that deficit is going to increase by some possibly \$20 million to \$30 million as a result of the MGEA proposals which still have not been ratified by the membership. We know that deficit is growing. Unless we expand our tax base and find some other new industry that will help to soften the tax load on the existing businesses and the population of Manitoba, we're going to be facing more difficult times next year and the year after and the year after, unless we broaden that tax base. So the province is going to need that additional tax source in the very very near future.

Now it takes approximately five years to develop a potash mine and it will be quite some time before the benefits of the natural resource itself will be felt in the province, but the benefits of the construction of a mine is significant and those benefits could be felt fairly soon, provided an agreement is reached.

I can tell the Honourable Minister another reason. In the Province of Saskatchewan, International Minerals are presently considering significant changes in the \$500 million class to K-1 and K-2 mines in Saskatchewan. If the decision is made to go with that route, I would suggest that IMC would not be too interested in another \$500 million, \$600 million or \$700 million of capital investment at the same time in the Province of Manitoba. So I say to the Minister, it's imperative that we get that agreement signed before the decision is made by IMC to upgrade the two mines at Gerald and Yarbo.

Living close to the Saskatchewan border, I have had a fairly longstanding acquaintanceship with the potash industry. In fact, I can tell the Honourable Minister that when the first potash mine in Saskatchewan was developed, I had the contract to build the railway spur into the site of what was supposed to be a potash mine and no one at that time had ever heard of a potash mine. So when I completed the building of that rail spur, there were four trailers parked in the farmer's field and 29 employees who were just commencing

the very initial work of developing a potash mine.

I was offered the job of doing the site preparation, but I had a commitment that prevented me from doing that and instead I found a contractor for them to do the site preparation. So my experience and my connection with the potash industry has been one that has started from Day One.

There are tremendous benefits that can accrue to the Province of Manitoba from the development of a potash mine here in Manitoba. The long-term market for potash is very bright - when I say long-term I'm looking at least five years down the road - and it would be at least five years before a mine would be brought into production. If negotiations started right away, we would have a mine coming on-stream when the long-term projections indicate a good mine. So while the immediate potash market may be soft, this is the ideal time to proceed with the negotiations and the development of a potash mine and I would urge the Minister to proceed as quickly as possible because the McAuley site is not the only potash that we have in the Province of Manitoba.

I understand Shell has done some preliminary work, have picked up some options. Amax has done a fair bit of work in the Russell area where the preliminary indications show a slightly lower grade but maybe a thicker seam of potash. It will be much more difficult for either Shell or Amax to put together a resource package that is a viable mine than is the case at the McAuley site, because at the McAuley site, there is the advantage of having a common resource ownership in one fairly large block to pick up the additional ones surrounding it. It doesn't make that job as great as it is in the other two areas.

So again, I urge the Minister to proceed. The economy of our province dictates it. The constituency that I represent is looking forward with great anticipation to provide the jobs that are desperately needed there and I'm sure that all concerned would benefit if we proceeded as quickly as possible.

HON. W. PARASIUK: I don't disagree with what the member has said. I do want to inform him that in the past, IMC has said that their activity in Saskatchewan, which they were pursuing before when they were talking to the Manitoba Government about a development at McAuley, was supposedly independent, one of the other. If the member now is saying that somehow they are interdependent, if one goes ahead and the other doesn't, well then I basically have to accept IMC's word that they were pursuing both independently; they were looking at each one in terms of its capability and potential.

Certainly it would be our hope to proceed. I think that timing had been a problem. I don't think any of the deadlines as such had been met; they were always postponed. That was indeed one of the matters for concern but frankly, I don't really want to dwell on the past as to missed deadlines or anything like that. When the member says that this is something that should be pursued, I take that legitimately and say that it is our intention to do that.

As I said though, I think that the Saskatchewan situation did create uncertainty as to price - and long-term price - because had Saskatchewan pulled out of Canpotex, they could have affected price for quite a

long time. The development potential in Manitoba is very price sensitive and if there is a long-term shift in price, we would hate to be involved in an investment that becomes uneconomic or that is uneconomic. That's why I think the July 1st date for us is an important date. Maybe we'll give some advance notice prior to that with respect to Saskatchewan's intentions with respect to Canpotex and future pricing, since there has been a change in government.

MR. H. GRAHAM: Well, Mr. Chairman, price and marketing are probably fields that are quite properly left in the hands of the professionals and IMC's interest in developing another mine, or increasing their production in their present two mines is very simply to shore up their marketing operation so they can have a marketing operation that is tailored to X number of thousands of tons of product per year and a secure source of product to tie into their marketing demands and their marketing operations.

I hope the Minister is not unduly alarmed about that type of marketing procedure, but I have to urge the Minister to consider it very seriously that the whole field of marketing is one that we should not be involved in. It is one that is properly left to the professionals.

MR. CHAIRMAN: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Chairman, the comments that the Minister had made about marketing, world prices, interest rates and such do raise the concern, in my mind, as to how the government is approaching this whole question and it's the same sort of point that my colleague from Virden has just made. Previously, the government was engaged in serious negotiations with IMC for the development of a mine; IMC, being experienced in potash marketing and mining, had done assessments on world pricing and demands over the coming years. Now, the Minister seems to be indicating that because of a changed situation in the world that somehow that has affected the negotiations with IMC.

Mr. Chairman, a specific question to the Minister then would be, has IMC come to the government and expressed their concern about markets and interest rates and has, therefore, indicated to the government that they are doubtful about their being able to proceed with the proposal that was on the table?

HON. W. PARASIUK: There have been concerns raised about market and interest rates and cash flow. This was taking place and was occurring during the negotiations between the previous administration and IMC; there were some attempts to make some changes in the agreement. I don't know if it serves much useful purpose to really dwell on what those particular changes were, but there were attempts that were reflecting changes in circumstances as IMC was seeing them. Those attempts at changes had, in fact, raised some concerns on the part of the government's negotiating team which was the previous administration's negotiating team. Those are well documented; those concerns existed then; they were raised with IMC. IMC obviously wanted to bring about those

changes because they had concerns about changing market situation, changing price, changing interest rates, their credit rating possibly in terms of having an impact. There was some thought and I don't want to get too deeply in it because I don't know if it does that much for the negotiations and the discussions regarding third parties and what the impacts of that would be.

Those were concerns that existed then and exist now. Hopefully, we can overcome them. That would be my intention to try and do that, but there were concerns before. Obviously, the negotiations reflect some of the changes and the concerns that were in place even then and have prevailed since that time. There are instances where IMC and other companies talk about the recession and the impact this is having on inventories because it has a big impact on cash flow. If your cash flow is low, you can't put as much equity into a project. That means you are borrowing and if you are borrowing at these interest rates, that affects the economics and the financial viability. These are items that I hope we can spend some time on with them.

They have had negotiations with the Saskatchewan Government because they were talking about possible expansions. I am not sure, even though they said these were independent, whether they had the wherewithal to pursue both simultaneously, but a tentative agreement had been reached with the previous Saskatchewan Government. The announcement of that agreement came out in Saskatchewan, I think, sometime in November, that there had been agreement for an expansion of the existing capacity, but again, that expansion has been postponed.

So, now is the time for us to undertake these discussions. There has been some interest expressed by other companies. Again, I wouldn't want to indicate those companies now, but I agree when the Member for Virden says that there is a good prospect for potash. We might have some honest disagreement as to when the timing might be for that. It would be our hope to move as quickly as possible but at the same time, there is the difficulty of, in a sense, trying to compete. We want to compete effectively with Saskatchewan, but we have to recognize their comparative advantage and so the question then becomes, how much is Manitoba willing to give up, in a sense, to make up for the comparative advantage that exists when companies already have some capacity in Saskatchewan? That is a difficult thing to make a judgment on.

I know that IMC are still acquiring options in Manitoba. I think they haven't proceeded in some of the areas that I think had been expected in the past, but they are acquiring options so their interest is there and it's strong. I think it's a very legitimate interest; our interest is legitimate as well. —(Interjection)— Pardon? Possibly. The member says it's protected, but I think it probably is possibly a bit more than that and this is what we hope to determine.

MR. B. RANSOM: Mr. Chairman, discussions and then negotiations had been ongoing between the government and IMC for a couple of years and had progressed to the point where there was a Memorandum of Agreement in place at the time of the election

which had been extended to December 15th because of the election to allow time for further consideration. After the election, the government made no effort to have the memorandum extended beyond December 15th. We have been told that was because the government had concerns about the agreement as it was being negotiated. Can the Minister advise the committee of the nature of the concerns that they had?

HON. W. PARASIUK: First, I would like to indicate that the deadlines on Schedule A were never met. There was supposed to be a complete development plan by October 30th, 1981. A lot of activity was supposed to have taken place and I have a copy of the Winnipeg Free Press, October 10th, saying that the potash agreement signing is delayed and that there were no problems. It said there, "However, both Lennon and Mines Minister, Don Craik, said they don't foresee any hitches." That's a specific quote. What we did is that we looked at the material and we decided that it's possible to continue discussions with IMC without in a sense extending that memorandum. We indicated to them that we wanted to continue to negotiate with them in good faith for the development of the Manitoba potash reserves. I believe we have done that. People might criticize us for not moving fast enough, or slow enough, but I think we have negotiated in good faith with IMC.

The concerns that were raised were primarily those concerns that were raised by the previous government's negotiating team, which I have documentation on. There were three major areas of concern and as I said, these related to third parties, to options, treatment for taxation and I think it's best if we try and resolve those through the negotiating process, rather than trying to, in a sense, blow them up or debate them in the Legislature. I think they were valid concerns then; I still believe that they are valid concerns. They are matters to be negotiated; we want to proceed with that negotiation and I would prefer to leave it at that. If the member wants to push, I don't know, I just feel that some of these things are best negotiated this way. If the negotiation doesn't proceed, obviously I will have to table everything and make everything public but I would prefer not trying to say, well, this is a point that we're really going to try and fight for; it's a point that was being fought for before. That makes the negotiation difficult because negotiations are always a matter of trying to weigh benefits and costs, good points and bad points in making judgments on a particular package and these things are hard to do in the public arena.

So I say to the member that I don't know if he had the material from the previous administration but there were concerns that had been raised, and I think legitimate ones, that are still being raised.

MR. B. RANSOM: I assume then, Mr. Chairman, that the concerns are, indeed, those that were pointed out by the negotiators for the previous government and were outlined to the Minister in a memorandum from the former Minister of Energy and Mines, so that the new government did not discover anything new, any new flaws in the agreement that was being negotiated with IMC. What strikes me as the normal way then, to try and resolve difficulties that are encountered and

you don't negotiate a multi-hundred million dollar investment of this nature without encountering some problems and there's going to have to be give and take on both sides and as it progresses. There are going to have to be changes.

I know at one point during the past few months, the government made some issue of the number of draft agreements that had been gone through, as if that somehow indicated something unusual. I would expect that there would be many draft agreements and that many points would be negotiated and different positions taken before they could arrive at a solution.

Now, I respect the position that the Minister is now taking concerning the desirability of not laying these points out in detail, in the open, but I cannot pass up the opportunity, Mr. Chairman, to say that is a different position than those members took while they were in Opposition. When they were in Opposition they wanted these negotiations conducted in public. They wanted them laid out, that there would be public hearings on the negotiations that were being conducted by the previous government. I see now that when the members formed the government and the Minister is now a Minister rather than a member of the Opposition, he doesn't take that position any more. He takes a position that I think was a reasonable one when we took it and for the moment, is a reasonable one for him to take as well. But what isn't reasonable in my mind, Mr. Chairman, is that if the government having been told of the concerns and having recognized them as concerns, if they did not then sit down and negotiate to overcome those concerns, then I think the government is at fault.

So my specific question to the Minister, Mr. Chairman, would be, did the government sit-down with IMC, try and negotiate solutions to those problems?

HON. W. PARASIUK: We, in fact, did raise the matters of concern with them and asked them to submit proposals taking those concerns into account. They said they wanted to give some thought to that and they've been giving some thought to it. We have been giving some thought to those concerns and those were the major ones; there were a set of minor ones. We're giving some thought to those concerns, the minor aspects, and we hope we can sit down again and see if there's any room for negotiation because again, it's give and take on the part of all parties. If the give is in only one direction, obviously, there are problems with that.

But to refer back to the member's earlier comments, I'll have to check through Hansard personally but I don't think I ever said that negotiations like this can be conducted in public but I'll certainly check through Hansard. There might have been other members who raised that but if there was in my situation, personally I'll check through Hansard and determine whether, in fact, I said any of those things in Opposition. I don't remember saying that.

MR. B. RANSOM: Mr. Chairman, the government has now been government for six months and my question was, has the government at any point sat down with IMC to try and negotiate a solution to the problems, which we now acknowledge were basically those that were pointed out by the previous team of negotiators

that were working for the previous government? Has the new government sat down with IMC to try and negotiate those points around to a position that would be acceptable to both parties?

HON. W. PARASIUK: That was undertaken some three months ago. IMC has been giving some thought to those; we are giving some thought to them and we will be sitting down again, as I've said, soon after the Session ends and I would hope that we could undertake a new round. We were a new government on the scene; they were a group that had taken the negotiation to a certain point, but those negotiations had reached, I think, some significant hitches, but again that's a judgment thing. I mean, people could make a judgment as to what that package was a certain time and what it might be now. As I said, I am quite willing to make all of this available at the end of a negotiation as such.

If IMC decides that they can't do business with us, well then fine, I will make that public. If for some reason, we both decide that we can't reach any type of agreement then I would talk to them about whether, in fact, this is the end of the line and that I would want to make public to everyone what the impasse was. If it is possible for us to overcome all of those impasses, obviously, I would rather have us overcome the impasses and reach an agreement.

Again, I think this is best done in a spirit of good faith, working with them without too much in the way of public debate on it at this time.

MR. B. RANSOM: Mr. Chairman, I am beginning to understand why, perhaps, the Minister doesn't want to have too much public debate on this because the issue that the members opposite tried to create in Opposition was that there was a badly negotiated agreement, that there were resource giveaways involved. Now we are being told that the government is negotiating in good faith. Those were his words, I believe, Mr. Chairman, the government has negotiated in good faith with IMC. They haven't taken the position evidently now that it was simply a bad deal and we are not going to negotiate it.

They had some specific points that were raised which were known to the previous government, were brought up by the negotiators of the previous government. There was nothing in those points that said that it was an especially bad deal; they were simply items that had to be negotiated so that we could arrive at a point that would be satisfactory to both parties. But earlier on, Mr. Chairman, I think I am correct in saying that the House was told by the Minister that IMC had been asked to submit a new proposal, along with other companies, with respect to the development of this resource. Now we are being told that the government has continued to negotiate in good faith with IMC.

I don't think that those two statements are entirely compatible and I would like to know some of the specifics about the negotiations then that have taken place. Did the government sit down on the 24th or the 25th of February, whatever the day was in February, did the government's negotiators sit down and say we want to conclude this agreement, but we have these three or four points that we are concerned about and

we are going to try and negotiate a solution to those? If that's the case, I would like to know that. If the company was, on the other hand, told in a general way that we have concerns about the agreement and we want you to come back with a new proposal, then the committee would like to know that as well.

HON. W. PARASIUK: The negotiations were that we did have concerns. We wanted IMC to be able to deal with those concerns and we asked how they would do it; that is still to be dealt with. We did indicate that we would talk to other companies; we don't think that is negotiating in bad faith. We don't say to IMC that they shouldn't negotiate with any other province, so why should we say to any company that we sit down with, that we will only negotiate with you and not with other people or we will only discuss possibilities with you and not with other people? We don't think there is anything in bad faith in acting like that. So that's the approach that we took. We don't think that there is any incompatibility with it.

You know, the Opposition has taken the position with respect to any project that it was all there. If all these projects were all there, I guess one could ask why didn't they wait the extra month or two because within one or two months, we were being told, why don't we have these projects; they should be there; they should be all agreed to. If it was just a matter of one or two months, I guess one could just ask the rhetorical question, why didn't the previous administration wait the one or two months, call the election in February, call it in March, call it in April? It is only June 1st right now. We could have had the negotiations completed, supposedly, by March or April. We could have laid it all out and said, these are concrete projects; they're there; they are going to be undertaken; these are the timetables; these are the deadlines; this is our Budget.

You did have the room for it, but obviously these negotiations are matters of bargaining positions and whether, in fact, you have strength or weakness. We are trying our best, I say, to negotiate good, fair arrangements. I think the previous government had that opportunity. We now have that mandate. We said we would negotiate in good faith with respect to all of these; that's what we are doing. I think we should be given the opportunity, rather than everyone going around trying to spread a lot of gloom and doom. Give us the opportunity to do it. We will come back and we will indicate to you what we have done. That is our intention and I think to try and live a lot in the past is not going to bring about these projects.

MR. B. RANSOM: The Minister says, give us the opportunity. Indeed, Mr. Chairman, we did give that government the opportunity. We gave them the opportunity to conclude some agreements that would have an economic impact on this province far beyond anything that has been experienced perhaps at any time previously in the economic history of the province. Instead, what we have is a Budget that indicates that the government is simply going to stand by and wait for things to happen.

If we were just looking at what the Minister of Energy and Mines has done or not done by way of trying to pursue these negotiations, it might be under-

standable, but when it is coupled with the actions and statements of the government that they are simply going to stand by and wait for the national recovery and they are going to hope to catch that as it goes by and in the meantime, they are going to undertake economic initiatives like Main Street Manitoba at \$1.5 million, which is a good program, but it is not an economic initiative that is going to turn the province around. Neither is the Critical Home Repair Program at an extra 3.5 million going to turn the province around or \$2 million for Manitoba Mineral Resources to put into the Trout Lake Development or \$5 million in ManOil which is now on hold and we are not going to get. It is going to take a great deal more. What we fault the government for is perhaps not even that they haven't concluded the agreements, but they haven't pursued them, where they have not pursued them in a vigorous fashion. This government has been in place for six months and, Mr. Chairman, this agreement has not been aggressively pursued by the government and if the Minister can indicate that it has been aggressively pursued, I'd like to hear it. I specifically then would like to know how many times has the government sat down to negotiate with IMC? How many times? When was the last time that they sat down to negotiate these points of concern with IMC?

HON. W. PARASIUK: We had one major meeting in February. There was a meeting not that long ago whereby we were talking about establishing a high level meeting soon after the Session ended to pursue the discussions and negotiations with IMC; that's what we have done. The contact has been there though. The negotiations are, I think, proceeding within the context of the world economy as we find it.

I come back to the statement by the member. If this was only a matter of three to six months as the Opposition would like everyone to believe, I guess the question is, why wasn't that three to six months taken or was there concern that possibly these arrangements couldn't be completed? Well, that's a possibility I'm not sure of. I was just saying that's the rhetorical question. I'm always told that everything would have been there and could have happened. We have been pursuing it. —(Interjection)— Well possibly, possibly, all I'm saying is that nothing prevented the government from taking the time to negotiate these things, have them completed, and run on that basis.

Well, the former First Minister shrugs his shoulders. He had it within his power; he knows that he is the one who called the election date. —(Interjection)— That's right, we were being told that the hole was going to be in the ground before September 30th, that was going to happen. Well, those things didn't happen. —(Interjection)— Pardon? The schedule changes we hear. Fine, schedules change, and we will try and do our best too, but to be criticized for schedules changing or for timing changing, especially when we are in a very severe economic recession in North America and the world, to be criticized for schedules changing because of that, and it's gotten extremely difficult because people were hit by the very high interest rates that occurred last August and last September. People still aren't sure of whether in fact we are going to have an increase or a decrease in interest rates over the course of this summer. Are we going to go down to

about 12 percent or are we going to go blasting up to about 16 or 20 percent? That creates uncertainty in the minds of investors. So we are saying that we are pursuing these. We've had some tentative discussions with other companies, but we say that our main pursuit is with IMC. We will be meeting with them very shortly and as I said, within the world context, we are pursuing these negotiations.

HON. S. LYON: Mr. Chairman, I'm interested to hear the Minister's version somewhat calmer than some of the outbursts that we've heard from him in question period, the Minister's version of how things are proceeding with the potash mine as a sidelight to provincial history which I'm sure will not be lost upon some historian with a sense of humour. To hear a member of the NDP complain about the timing of the election is what I would call high if not camp humour at its best. To hear at the same time the suggestion by the now Minister, and he said it was just speculation on his part, that maybe we called the election early because we weren't able to complete all the agreements on time. How does that particular eccentric theory tie in with the serious protestations that the Minister and others of his colleagues were making around the province, that we were trying to rush these agreements to conclusions so that the people of Manitoba would be buffaloed by the aura surrounding the signing of agreements and so on.

I merely say, as all Grade 11 debaters say, you can't have it both ways. My honourable friend had better make his mind up as to which lily pad he's going to croak on because he can't croak on both of them. I was amused, however, and I said across the House to him and I say it in a friendly way to him, not to come up with that particularly eccentric theory. It has Byzantine implications to it that perhaps only he could understand. A mind, such as many of us have on this side of the House, really couldn't fathom that depth of perambulation and circumlocution that would take you into a position that my honourable friend finds himself in, which is of his making and he must burrow, jump or slither his way off that position in whatever way he wishes.

Mr. Chairman, my question arises out of another dichotomy that appears in the statements of the member. On the one hand, he makes continuing protestations of his government bargaining in good faith, I think is his term, as though he were somehow or other being indicted by this side of this House that he isn't bargaining in good faith. I don't think we've ever really gone into that too much, but what we have said is for God's sake, bargain and bring these agreements to some conclusion, but let's not dither. We've had not so much bargaining as dithering while people and so-called experts that are trotted in from other jurisdictions take the time at the expense of the people of Manitoba to inform themselves about matters that are already well in hand. Let's have an end to dithering and let's get on to negotiating.

Now my friend, you see, says on the one hand, Mr. Chairman, we're bargaining in good faith with IMC and on the other hand, he says but of course we're not restricted, we can bargain with other companies. I'm the first one to say to him, look if you can make a better deal on behalf of the people of Manitoba with another

reputable company of that size who knows what the dickens it's doing, that would be good in the long run, but a bird in the hand, to use the old expression, a bird in the hand's worth two in the bush, and let's see what these birds in the bush - who are they? Is it Sask Potash, up until the 26th of April? Is that one of the birds in the bush that we were going to be negotiating with? The First Minister seemed to imply in response to a question of some several weeks ago that Sask Potash were being talked to, not only with respect to marketing in which they apparently have some expertise, but also with respect to development and when one equates on one hand the idea of bargaining in good faith, and on the other hand, one says openly that one is at the same time treating with the competitors of the company with whom one is allegedly bargaining with good faith, if I may say so to the honourable member, that doesn't necessarily do much to augment good faith. But be that as it may, there are bargaining techniques of one sort and another and all we're saying is that we are anxious to know if the Government of Manitoba is bargaining seriously on the basis of the agreement, memorandum of understanding that was allowed to expire on the 15th of December, 1981; whether there is a new memorandum of understanding that has been drawn up upon which the parties are negotiating; or whether in fact the bargaining that is going on is, as the lawyers would say, bargaining ab initio right from the start at square one again; or what is the nature of the bargaining?

Without in any way indicating or giving information that would be prejudicial to this alleged bargaining, can the Honourable Minister tell us what other companies are involved in any serious discussions, meaningful discussions with the government with respect to this particular ore body, keeping in mind that the province owns by recollection roughly 50 percent of the mineral rights in this ore body in and around McAuley, and that other private interests own collectively something like 50 percent? IMC was working with those private interests in order to obtain the whole field and keeping in mind as well, geographically, that there was a second field as I recall to the north of that upon which the province gave exploration rights to Amax Company and there is a third company, I believe, Shell Oil. Shell at one stage was interested in some related operations with respect to this operation. But if indeed it is not prejudicial to the discussions and/or negotiations that are going on, can the Minister identify those other companies of the size of - I presume they are - IMC with whom he is negotiating on the same property apparently that we are led to believe there should be an agreement concluded with IMC?

HON. W. PARASIUK: These are discussions not necessarily pertaining to the exact same property because the test holes were being done. But I don't know if one would say that they are of the same size but Noranda is a large company; British Petroleum is a large company. Those have had some preliminary discussions with us, but it would be more of our intention to proceed to see whether, in fact, we can resolve some of the things which aren't just the agreement because the word that I don't use, but it's in there, is

deviation from the agreement. If that's the word used by members who are members of the previous government's negotiating team - substantial deviations. It's a matter of coming to grips with something like that and within that context and taking a look at what will happen to our neighbouring province.

In our neighbouring province, and the Leader of the Opposition may have been out when I raised this, but there had been uncertainty as to what was going to be taking place in Saskatchewan, whether IMC was actually going to proceed or not proceed and the last note had extended their start-up for their very major expansion, K1-K2, but that was taking place at the same time that the Manitoba Government was negotiating. Those negotiations, the tentative agreement had been reached. The cost of that type of expansion is something in the order of 25-50 percent of a Greenfield Development, but we should be able to get a much firmer idea from IMC as to what their longer term intentions are because they themselves had paused a bit. We certainly hope that over the course of the next little while we can establish a negotiating process, not completely throwing out much of the work that had been done in the past, but rather trying to build on it and improve on it.

So rather than saying are we just extrapolating the past into the future, are we starting . . . or are we starting in some middle ground, I would say that we're starting in a middle area. As we said, we want to ensure that a deal just isn't negotiated which is then sold again and that's happened before and I think the previous government has some concerns about that and we certainly want to protect Manitoba's interest in that respect too.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

HON. S. LYON: Just one quick question and the answer can be put on the record later on.

Is the consulting firm of David Robertson and Associates, which was retained by the previous administration to assist the administration in its negotiations, is it still being retained by the department?

HON. W. PARASIUK: It's not being retained as such but we've had two visits with him and I have indicated before, Mr. Jack Roper who had been doing work is the one who is our lead technical person doing work on this right now.

MR. CHAIRMAN: The hour being 5:30, I'm leaving the Chair. I will return at 8:00 p.m. this evening