

# LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 8 June, 1982

Time — 2:00 p.m.

**OPENING PRAYER by Mr. Speaker.**

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

## PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

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

**MR. P. EYLER:** Mr. Speaker, the Committee of Supply has adopted certain resolutions, directs me to report the same and ask leave to sit again. I move, seconded by the Honourable Member for Riel that the report of the committee be received.

**MOTION presented and carried.**

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

**MS. M. DOLIN:** Mr. Speaker, I'd like to present the fourth report of the Standing Committee on Economic Development.

Your Standing Committee on Economic Development begs leave to present the following as their Fourth Report:

Your Committee met on Tuesday, June 8, 1982 and appointed Ms. Dolin as Chairperson in the place of Mr. Scott, formerly a member of the Committee.

Your Committee considered the Annual Reports of the Manitoba Development Corporation and Flyer Industries Ltd., and the Financial Statements of William Clare (Manitoba) Ltd.

Mr. Hugh J. Jones, Chairman and General Manager of the Manitoba Development Corporation, and members of the staff, provided such information as was required by members of the Committee with respect to the Manitoba Development Corporation.

Information with respect to all matters pertaining to the operations of Flyer Industries Ltd. was provided by Mr. Douglas R. McKay, President of the Company. The fullest opportunity was accorded to all members of the Committee to seek any information desired.

Your Committee examined the Annual Report of the Manitoba Development Corporation for the fiscal year ending March 31, 1981 and the Financial Statements of Flyer Industries Ltd., and William Clare (Manitoba) Ltd. as at December 31, 1981, and adopted the same as presented.

All of which is respectfully submitted, M. B. Dolin, Chairperson.

Mr. Speaker, I move, seconded by the Honourable Member for Radisson that the report of the committee be received.

**MOTION presented and carried.**

**MR. SPEAKER:** Ministerial Statements and Tabling

of Reports . . . Notices of Motion . . . Introduction of Bills . . .

## ORAL QUESTIONS

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

**MR. L. SHERMAN:** Mr. Speaker, my question is to the Honourable the Minister of Health. I would ask him whether he can advise the House, Sir, which office it was of the Department of Health that was contacted by Mrs. John Leppy of Niverville for information on rabies?

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

**HON. L. DESJARDINS:** Yes, Mr. Speaker, that accident apparently happened on May 4th and the office that was contacted on May 4th was not the office of the Department of Health at all, it was the Federal Department of Agriculture. It was only on the 25th of May that my department was instructed. It was a little late then.

I have been advised that all these people are being treated by their own doctors and that they are doing fine. Had they called us immediately they would have had the information from our department, either from Dr. Eadie or from Dr. Morley Sirett. I don't know why the Federal Department of Agriculture didn't refer them to us but they didn't.

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

**MR. L. SHERMAN:** Mr. Speaker, would the Minister assure the House that he is undertaking approaches to the Federal Department of Agriculture to underline the difficulties that resulted from that kind of response given to Mrs. Leppy and urging a much tighter and closer liaison between federal offices of that kind and the Provincial Ministry of Health, when it is essentially a health question that is being asked and raised?

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

**HON. L. DESJARDINS:** Mr. Speaker, I could inform the members of this House that I've already instructed staff to do just that.

**MR. L. SHERMAN:** Mr. Speaker, can the Minister assure the House that the department's public education campaign on Rabies includes the specific notice that Rabies can be transmitted by saliva and it doesn't necessarily require an animal bite?

**HON. L. DESJARDINS:** Yes, Mr. Speaker, I think that is information that the public should receive. I must confess that I had no idea that it could be transmitted like that until I read the article. The article was certainly helpful in that direction and we will certainly look to see if that kind, not only that, but if we can give more information to the public in case of an emer-

gency such as this and you wouldn't have this unfortunate situation.

**MR. L. SHERMAN:** Mr. Speaker, can the Minister advise the House whether there is a Medical Officer of Health in the Eastman region or whether the department is relying on part-time participation by private practitioners?

**HON. L. DESJARDINS:** Mr. Speaker, I'll have to get the information. I don't want to guess at this time. I'll get the information and give it to my honourable friend.

**MR. SPEAKER:** The Honourable Member for La Verendrye.

**MR. R. BANMAN:** Thank you, Mr. Speaker. I direct my question to the Minister of Education and would ask her whether or not she could confirm that residents living in the Local Government District of Reynolds, Hadashville and East Braintree area are facing property tax increases, in some instances, of almost 100 percent?

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

**HON. M. HEMPHILL:** Mr. Speaker, I understand that there is a letter coming to me with the information that he just indicated regarding the tax increases for the School Division of Agassiz. When I heard that this letter was coming, although I hadn't received it, I gathered the information that I knew he would be asking for in today's question period and while, as usual, it's fairly detailed and complex, and I want to share the three pages of material with him, I'm going to summarize right now the major points.

First of all, I'm as concerned as he is about the information that we've received about the tax increases. I want to tell him that the major reasons that we have identified for this tremendous increase is the re-assessment that took place through the Provincial Assessment Branch in 1980 and I can give him the statistics that indicate that. In terms of the money that came from the government, I think, that our school grants, the Educational Support Program that they brought in and the supplementary program that we brought in, did an excellent job in going towards giving help to the school division. They brought in a budget with a 24 percent increase, Mr. Speaker, we gave them a 19.1 percent increase in operating costs. I don't think anybody with the resources available today would say that a 19 percent increase was not a good increase and a fair and good support for the school division.

The assessment that took place in '81 does not impact for a year and it means that the taxpayers are faced with the impact of a two-year increase in the one year. The previous government recognized the problems with the assessment base, that's why they set up the Weir Commission. We recognized the problems and we're following through and looking at it. It will be clear when he sees the details of this information that the government support has been adequate to help the division and the main problem is the re-assessment

of the property tax in that area.

**MR. R. BANMAN:** Thank you, Mr. Speaker, a supplementary question. In light of the fact that some of the homeowners, for instance, a home with a small acreage of marginal land that is assessed jointly at about \$8,000 will jump from \$418 to \$721 this year, I wonder if the Minister could inform the residents in that particular area whether or not there will be any steps taken by her department to try and alleviate this situation in this particular year of having such a large increase at a time when many of the people are finding it hard just to keep their own homes.

**HON. M. HEMPHILL:** Mr. Speaker, I can't think of a better way to demonstrate the reasons that this government brought in the supplemental program that we brought in. It was to help school divisions like Agassiz that were faced with serious problems of their ability to raise money in their assessment base. Mr. Speaker, I think we did the best we could this year with this Budget, with the money that was available. Agassiz School Division received a mill-rate reduction of 6.3 mills as a direct result of the supplemental program that they would not have received had we not brought that program into place, so we recognize school divisions like Agassiz were in a difficult position. We brought in a special-support program to give those disadvantaged divisions additional help to the degree that we could, and we recognize that it's a basic, serious problem of the assessment base that has to be addressed on a provincial basis. We did the best we could for Agassiz and school divisions like Agassiz with the money we had available this year.

**MR. R. BANMAN:** Mr. Speaker, in light of the answer to the question, I wonder if I could direct another question to the Minister in charge of Municipal Affairs and ask him with regard to the reassessment in that particular area whether or not he will be working with the Minister of Education to try and alleviate this one year hardship that these people are being asked to bear, this horrendous increase in one year's taxation?

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

**MR. A. ADAM:** Mr. Speaker, this is the first information that I have received of the problem in Agassiz School Division. My staff at the present time is reviewing the report and the recommendations that we have received from the Assessment Review Committee.

We will be, further to that, taking samples of assessment throughout the province on a number of different areas, both urban and rural, to analyze the actual impact of the recommendations. Later on in the fall it is my intention to have the Municipal Affairs Standing Committee of the Legislature go out and elicit information, elicit advice from the people of Manitoba on the impact of the recommendation. Hopefully, we can resolve the problems that are now being experienced in the assessment of the properties in the Province of Manitoba.

**MR. R. BANMAN:** Well, Mr. Speaker, these people still aren't being helped. They're going to be faced

with pretty enormous increases and I would ask the Minister of Education whether or not she could confirm that the amount of provincial support that the Agassiz School Division is receiving from the Provincial Government has dropped from last year to this year, in percentage terms?

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

**HON. M. HEMPHILL:** Mr. Speaker, I don't have the figures of the percentage increase that they received last year. I would be surprised - I'll confirm that if that is the case - if it were more than a 19-percent increase for the school division since the supplemental program wasn't in place and has had a significant impact on the amount of money that they received which they did not receive in last year's Educational Support Program that did not have the special supplemental program. So that they received more than they would have received had we left the program intact the way it was to be for its second year. The effort was made to give as much help as we could to school divisions like Agassiz facing a difficult year.

**MR. R. BANMAN:** I wonder if the Minister of Education could check for me and confirm whether or not in 1981 the Provincial Government picked up about 82 percent of the total costs of education in Agassiz School Division and this year it's going to be about 80 percent which means there's a 2 percent drop in the amount of money that the province is picking up as far as percentage of total expenditures.

**HON. M. HEMPHILL:** Yes, Mr. Speaker, I will get that information for the Member for Hanover. What I can indicate is that is possible because there was a declining enrolment of, I believe, about 80 students in the division and we all know that a drop of 80 students which has an impact, I think, of one unit; it means about \$90,000 and is a significant impact on a small school division. So the percentage increase could be down, not related to the amount of money we put in, but related directly to the negative impact of loss of students.

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

**MR. J. DOWNEY:** Mr. Speaker, I have a question to the Minister of Agriculture. In view of the fact that the report last week in the Free Press was correct as written by Jack Francis, that there would be some major changes in the Department of Agriculture, Mr. Speaker, and the Minister did not, during Estimates, give us the detail of the positions he would be creating and those people who'd be filling those positions, will the Minister of Agriculture now give us, or as quickly as possible, the precise positions that he is creating and who will be filling those positions within the new reorganized Department of Agriculture?

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

**HON. B. URUSKI:** Mr. Speaker, the reorganization that I spoke about is not a major reorganization in the

Department of Agriculture and I repeat that.

Mr. Speaker, with respect to the changes and the staff and personnel who will be occupying those positions, there is a retirement; an Assistant Deputy Minister retired; that position will be bulletined and advertised. There has been a reduction in scope in terms of one other position and that as well is being advertised.

**MR. J. DOWNEY:** Mr. Speaker, will they be handled through normal hiring through the Civil Service or will the precedent which has been set by the Member for Brandon East be used and political appointments made to those positions?

As well, Mr. Speaker, is there a position being created or being developed for Mr. Jack Wesson who was the head of the Saskatchewan State Farm Program who probably will be now looking for a job in Manitoba? Is that one of the individuals who will be given a job, Mr. Speaker?

**HON. B. URUSKI:** Mr. Speaker, it appears that, with respect to the positions that have been bulletined, they are being handled in the normal fashion. If they are senior officer positions, they will be approved by Order-in-Council, there will be an advertising process, as is required by the Civil Service Act. With respect to the other comments of the honourable member, I would hope that any person in this country who feels that his services might be able to be utilized by the job descriptions that we are advertising, will apply. We will not discriminate against people from Saskatchewan.

**MR. J. DOWNEY:** Mr. Speaker, precisely, will the Minister indicate whether the head of the Saskatchewan Land Bank Program has been hired by the government or, in fact, is he being considered for a job within the Manitoba Civil Service?

**HON. B. URUSKI:** Mr. Speaker, it appears that, in terms of one leaving his position in the Province of Manitoba for an increase in salary from \$58,000 to \$85,000, was a very profitable move for civil servants in the Province of Manitoba. With respect to the individual that the honourable member speaks of, I have to say that I thank him for his suggestion and, if his services would be open to us he certainly would be considered along with anyone else for a position that may or may not be available in the future.

## INTRODUCTION OF GUESTS

**MR. SPEAKER:** Order, please. Perhaps this would be a convenient time to interrupt the proceedings to direct the attention of honourable members to the gallery and to the loge on my right.

In the gallery we have 30 students of Grade 6 standing of the King George V School under the direction of Mrs. Higgins and Mrs. Richards. The school is in the Constituency of the Honourable Minister of Health.

In the loge to my right is Ken Dillon, the former MLA for Thompson.

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

## ORAL QUESTIONS (Cont'd)

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

**MR. G. FILMON:** Thank you, Mr. Speaker. My question is for the Minister of the Environment. We were sorry to learn that he, due to illness, was unable to travel to Washington with the Garrison group. We are nevertheless pleased to see that he is here to answer our questions today. The question is, Mr. Speaker, when can we expect a decision by the Clean Environment Commission with respect to the public hearings on the stack emissions for Inco at Thompson?

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

**HON. J. COWAN:** So that I can correct the record which has just been given some improper information or incorrect information by the member previously, I did not postpone or not carry on with the trip to Washington with my colleagues and his colleagues because of illness, but I did so because I had a number of pressing activities here which I felt needed to be accomplished in quick order and, hopefully, I will be able to bring forward some reports which have been outstanding for some time now as a result of not going on that trip which I would have enjoyed participating in and would have enjoyed being a part of. However, I have great confidence that my colleague, the Minister of Natural Resources, and my other colleagues as well as the colleagues from the other side of the House and those from the Federal Government will do as good a job as I would have done had I had the opportunity to participate in that trip with them.

In respect to the specific question, I will have to get that information for the member and provide him with a detailed answer once I've had an opportunity to get those details from the Clean Environment Commission but I will undertake to do so and report back to him as soon as is possible.

**MR. G. FILMON:** Mr. Speaker, I'm happy to have that information to correct the record because it had been provided to us by his colleagues so perhaps they were just under the impression he was ill.

Mr. Speaker, my second question to the Minister of the Environment is, when can we expect the Clean Environment Commission decision on hearings that were held with respect to discharges to the Assiniboine River in Brandon by Simplot?

**HON. J. COWAN:** Well, I'm certainly pleased to hear that the members opposite are taking such a concern in my health. I have to admit that from time to time it could be better, but as with the case with everyone in this Chamber after a long Session, their health could be better from time to time as well.

The specific answer, as the member is aware, is up to the timing of the Clean Environment Commission and they are taking the time which I feel is necessary to fully review the evidence and the documentation which was presented to them as a result of those hearings, both in the previous instance and in this instance and, as well, in a number of other cases which they are reviewing at the present time.

I do have to put on the record that I have no dissatisfaction with the rate of speed which they are taking to provide those reports at this time. We have given them some fairly heavy tasks as of late, including the com-

prehensive review of Baygon spraying and other mosquito control and larviciding programs which was necessary. For that reason, we may have put a lot on their plate at the present time and that may be slowing down the process a bit, but I am assured from my conversations with them that they are doing as comprehensive a job as is possible and I commend them on that and I would not want them to rush forward the reports and not take the time to make certain that they have fully considered all the evidence, all the documentation, all the arguments and all the concerns that were brought forward so as to be able to provide a comprehensive report as part of their duties as the Clean Environment Commission.

**MR. G. FILMON:** Mr. Speaker, referring to the matter of Garrison, I wonder if the Minister could indicate whether or not the Legal Counsel from the Attorney-General's Department who was sent to Washington to open an office and have a Manitoba presence there will be staying in Washington beyond June 30th of this year? My question was to the Minister of the Environment, but perhaps if the Attorney-General is in a better position to answer that . . .

**HON. J. COWAN:** Well, I cannot provide to the member at this time an exact answer as to when it is expected that person will be there or not be there. I will check with my colleagues and report back to him or have my colleagues report directly back to him with the answer to that specific question.

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

**MR. W. MCKENZIE:** Thank you, Mr. Speaker. I have a question for the Honourable First Minister or the Minister of Municipal Affairs. I wonder if the government, Mr. Speaker, has finally made up its mind that the little Village of Shellmouth can proceed with their Centennial this year.

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

**HON. H. PAWLEY:** Mr. Speaker, it's my information that I've received by way of the Department of Municipal Affairs, that the unincorporated Village of Shellmouth indeed would be establishing a precedent by which many other communities would be eligible for grants if we offered a grant to the community in question.

**MR. W. MCKENZIE:** Thank you, Mr. Speaker. Mr. Speaker, is the First Minister telling me that this little Village of Shellmouth which is celebrating their Centennial year, their 100th year this year, and all the monies that we have in this Budget and the grants that this government is extending to people of this province and that village cannot carry on with their Centennial celebration because of the lack of grant and courage of this government?

**HON. H. PAWLEY:** Mr. Speaker, I believe that I am correct in the statement that I'm about to offer to the honourable member. It's my understanding that there has been a criteria that has been pursued for a number

of years that there have indeed been requests from year to year pertaining to the application of centennial grants. It is my understanding that the present Minister of Municipal Affairs has not changed that criteria and, therefore, Mr. Speaker, I think it is only fair that if we have criteria in place, we would not change it because one particular community has come forward when, indeed, other communities that would have been in a similar position would have been refused over the years based upon this same basis that a refusal is being made insofar as the Community of Shellmouth.

**MR. W. MCKENZIE:** Well, Mr. Speaker, now that I'm getting the message from the First Minister and this government, who are supposed to be looking after the people of this province, this village of Shellmouth is celebrating their 100th anniversary and if this government isn't going to put up the money, I'll put it up out of my own pocket.

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

**MR. D. ORCHARD:** Thank you, Mr. Speaker, my question is for the First Minister. The First Minister indicated criteria were in place to assure that centennial grants went out appropriately. Possibly, the First Minister might instruct his Minister of Municipal Affairs to use the same kind of discretion that was exercised by us when we were government and respect for the people of Manitoba and from time to time modify the criteria such as was done by our government for the community of Winkler in celebrating their 75th anniversary and not their centennial. The appropriate thing for him to instruct his Minister of Municipal Affairs to do would be to honour the 100th year centennial of the Village of Shellmouth and show his appreciation of villages in rural Manitoba.

**HON. H. PAWLEY:** Mr. Speaker, I believe there was an exception that was made, as well, in respect to Gimli because there is quite a difference between incorporated communities and unincorporated communities in case the Member for Pembina is not conscious of that.

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

**MRS. C. OLESON:** Thank you, Mr. Speaker, my question is to the Minister of Education. It has come to my attention that there's been a report of students being evacuated from the Neepawa School because of a gas leak. Could you give us a report on the safety of these students, please?

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

**HON. M. HEMPHILL:** Mr. Speaker, I just received this information as I was coming into the House this afternoon and I will read it out and share with you what I know about this particular issue.

The Hazel Kellington School in Neepawa was evacuated at 9:30 a.m. this morning, 400 students from K to 6 were moved to the high school. Thirty students were

hospitalized; all except four have been released. According to the Superintendent's Office the evacuation was necessitated by the presence of some gas which posed a health hazard to students. Dr. Jakobson, a medical doctor, is taking blood samples. He thinks it might be one of two things; natural gas leak from the furnace or fumes from the chimney were backing up and circulating through the air conditioning system.

Inter-City Gas was on the scene. They have checked for natural gas leaks and have indicated there were no gas fumes apparent. It therefore appears they're looking into the question of fumes from the chimney. The fire department is on the scene looking into the matter and we will be in touch with the division office and Dr. Jakobson to get further information.

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

**MR. G. MERCIER:** Mr. Speaker, I've a question for the Minister of Education. Can the Minister of Education confirm that she and her government lifted or eliminated the 5-mill ceiling on the increase in the school levy which our government had brought into being last year in our education financing?

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

**HON. M. HEMPHILL:** If I understand the question correctly, Mr. Speaker, no we did not. My understanding is that you were asking me if we made, or I made, any changes in not allowing school divisions to go over 5 mills without giving some additional support from the government. Is that the question? We left that intact. The support went out to the school divisions as it did last year and as the commitment by the previous government was, we honoured that.

**MR. G. MERCIER:** Mr. Speaker, last year when our government brought in the Education Refinancing Program and the Greater Winnipeg Equilization Levy was eliminated in the city, we imposed in the community of St. Norbert within the Seine River School Division a limit on the increase in the school levy so that we provided a subsidy for any increase in the mill rate over 5 mills. My question, Mr. Speaker, to the Minister, and she can take it as notice if she wishes, did her government this year eliminate that 5 mill ceiling?

**HON. M. HEMPHILL:** Mr. Speaker, I thought that's what the member was asking. I do not need to take the question as notice. The commitment was made not only to St. Norbert, but to any school division who had an increase over 5 mills that there would be a special subsidy. I can't quite remember the number of school divisions that came into this category, six or seven, I believe. I can check into that. They received the same subsidy as was received last year and they, to my knowledge, and I will check into this, received it as they did the money from the supplemental program as a special money that went out to them based on their local situation. We did not change that commitment and all the school divisions received the money that they were entitled to through the commitment made

by the previous government under the Educational Support Program.

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

**MR. G. FILMON:** Mr. Speaker, my question is to the Honourable Minister of Education. Has the Minister received the report of the special two-person investigative committee she appointed to review the need for a K-12 school at Ile des Chenes?

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

**HON. M. HEMPHILL:** Mr. Speaker, yes I have.

**MR. G. FILMON:** Is the Minister in a position to share the report with the Seine River School Division School Board and the members of the House on this side?

**HON. M. HEMPHILL:** Yes, Mr. Speaker, I have just this last week communicated with the school division that the report is in and that I would like to share the information with them. We are in the process of setting up a meeting, I think within the next week or two, with the school board to share the information that is in that report.

**MR. G. FILMON:** The other part of the question, Mr. Speaker, was of course when members on this side could also receive a copy, but my third part of the question is, what was the amount of the fees that were charged by the two-person committee that reviewed this matter for the government?

**HON. M. HEMPHILL:** Mr. Speaker, I don't have the exact dollar figure in mind since it related to the amount of time that they were going to spend reviewing the matter. I will take that as notice.

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

**MR. L. SHERMAN:** Mr. Speaker, my question is to the Honourable Minister of Community Services and it's about a specific individual, a severely disabled citizen of Manitoba by the name of Michael Kurnarsky, with whose case I know the Minister is familiar and whose case is at the centre of a number of representations that have been made to the Minister by the CAMR, the Canadian Association of the Mentally Retarded. I would ask the Minister if he can advise the House what is the status of the funding request made on Mr. Kurnarsky's behalf and what is the status of the CAMR's request for a meeting with him on this and a number of other subjects?

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

**HON. L. EVANS:** The particular individual that the member refers to, Mr. Speaker, is an individual that has been looked after, I suppose, on a trial basis by a voluntary group for about a year. My advice is that because of the various difficulties that this individual has, he requires treatment on a one-on-one basis.

Therefore the cost may be in the order of \$35,000 per year for the care of one person who has these handicaps and it seemed to us this was a very costly type of expenditure considering that there are not enough funds right now for doing all the things that we would like to do to help the physically and the mentally handicapped in this province.

So our inclination is that there must be some other way, surely, of helping this person without having to have a one-on-one situation which would be very very costly, indeed, in our point of view. Nevertheless, we're prepared to review it further but my inclination is that this is a very very expensive proposal made to us.

**MR. L. SHERMAN:** Mr. Speaker, care of the ill, unfortunate, disabled, and handicapped is always expensive and there's no arguing that point. The figure is \$24,000 not \$35,000, but the point is, Mr. Speaker, that representations have been made to the Minister from the CAMR which provide rationale for support of this kind. There's always a trade-off in these situations. The alternative proposed by the Minister would cost nearly as much. Residents in the Dash residence where Mr. Kurnarsky was living costs nearly as much and the question basically is when will he give an undertaking to sit down with the advocates of Mr. Kurnarsky's case and the CAMR and discuss this matter?

Representations have been made to him on the subject since April 22nd, Mr. Speaker, and the private funding is running out.

**HON. L. EVANS:** Well, I can advise the honourable member, Mr. Speaker, that I have already met with a delegation some many weeks ago on this very problem and we spent a long time discussing this. I believe it's the Autistic Society of Manitoba. I may not have the proper name but it is a group that's directly involved with this type of disability. I consider that group very well represented the interests of this individual.

In addition to that, we've had correspondence with many other people apart from CAMR.

**MR. L. SHERMAN:** Can I assume then, and those who are advocating help for Mr. Kurnarsky, that the Minister has given his answer - that, no, their request for that funding will not be accepted?

**HON. L. EVANS:** Well, Mr. Speaker, we're prepared to look at other options. I believe we've indicated this by correspondence to, I think, from my deputy to one individual who is concerned.

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

**MR. G. MERCIER:** Mr. Speaker, my question is to the Government House Leader, the Honourable Attorney-General. Could he indicate how many more bills he intends that the government will be introducing in this Session?

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

**HON. R. PENNER:** Yes, Mr. Speaker, in fact, I sent a

note to the Member for Turtle Mountain that he will have received today, naming or listing approximately five or six bills which may yet be introduced. I mentioned there were amendments to The Builders Lien Act, Conflict of Interest, but probably for Second Reading only and two or three other bills of the nature of amendments; one to The Rivers and Streams Act. So that information has been given to the Opposition House Leader and may be seen by the Member for St. Norbert either today or tomorrow.

## ORDERS OF THE DAY

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

**HON. R. PENNER:** Mr. Speaker, would you please call second reading on Bill No. 22?

## SECOND READING - GOVERNMENT BILL

### BILL NO. 22 - THE MANITOBA LOTTERIES FOUNDATION ACT

**HON. L. DESJARDINS** presented Bill No. 22, Loi sur la Fondation manitobaine des loteries, The Manitoba Lotteries Foundation Act, for Second Reading.

**MOTION presented.**

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

**HON. L. DESJARDINS:** Thank you, Mr. Speaker. As an introduction to the second reading of Bill 22, The Manitoba Lotteries Foundation Act, I would like to state that the proposed legislation is permissive and enabling legislation giving the government the ability to become more actively involved in monitoring, controlling and operating gaming operations in Manitoba.

The intent of the legislation is to provide maximum controls and regulations on gaming operations to ensure the maximum amount of money possible is earned for charitable projects. This legislation is not intended in any way to prejudice the recommendations from his Honour, Judge Jewers, acting as commissioner of the inquiry into private operators and lotteries. This legislation, if passed, will not be proclaimed as law until Judge Jewers' report has been received and reviewed.

It is the intention of strengthening the controls of the Manitoba Lotteries and streamlining the operation of the Manitoba Lotteries Foundation Act and is being introduced to replace the Manitoba Lotteries and Gaming Control Act. The Act will set up a corporation called the Manitoba Lotteries Foundation which will assume the powers and responsibility of the Manitoba Lotteries and Gaming Control Commission and the Lotteries and Gaming Licensing Board.

The Board will be made up of no less than nine members, appointed by Order-in-Council, reporting through the chairman to the Minister responsible for Lotteries.

Other changes in the legislation include giving the Foundation the authority to run lottery schemes for charities in those situations where the Foundation felt such a lottery would be justified but the charity is

incapable of running it themselves.

The legislation also gives the Foundation the authority to audit the books of all vendors involved in the sale and distribution of lottery tickets. This includes an audit of all expenses as well as revenues from lottery sales. The legislation also provides the Lieutenant-Governor-in-Council with the ability to direct lottery profits into the general revenue of the consolidated fund for any purpose the Lieutenant-Governor-in-Council may determine.

I want to add at this time that there's no change in policy. As I said this is permissive legislation and it might be that after the recommendation of Judge Jewers that this might be necessary, but there has not been any intention of using the money for anything else than is being used for at this time.

The thrust of the legislation is to give the Manitoba Lotteries Foundation direct control over the operation of gaming activities in the Province of Manitoba.

**MR. SPEAKER:** The Honourable Member for La Verendrye.

**MR. R. BANMAN:** Mr. Speaker, I beg to move, seconded by the Member for Virden, that debate be adjourned.

**MOTION presented and carried.**

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

**HON. R. PENNER:** Mr. Speaker, I 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 the supply to be granted to Her Majesty. I understand there'll be the one Committee on the Executive Council Estimates' meeting, I presume, in committee room.

**MOTION presented and carried** and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for River East in the Chair for Executive Council.

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

**HON. R. PENNER:** Thank you, Mr. Speaker, there seems to be an agreement that there is just the one Committee which, although it started in Committee, would normally, by precedent, finish in Committee. There is an agreement, by leave, the Committee of Supply sitting on the Estimates of the Executive Council will continue in the House. —(Interjection)— Yes, by leave.

**MR. SPEAKER:** By leave, the Honourable Member for River East.

## SUPPLY - EXECUTIVE COUNCIL

**MR. DEPUTY CHAIRMAN, P. EYLER:** I call the Committee to order. We're considering the Estimates of the Executive Council, Item 1. (a) Premier and President

of the Council's Salary.

Honourable Leader of the Opposition.

**HON. S. LYON:** Mr. Chairman, when we adjourned last evening the Member for Turtle Mountain was in the midst of starting a discussion with the First Minister about resources and matters of that nature and because he's in Washington today with the delegation of the Federal Government and the provincial representatives on the Garrison matter, I will attempt to carry on with some of his line of questioning, although somewhat at a disadvantage in the sense that he has a more intimate knowledge of the line of questioning he wished to pursue, which was cut off when the Committee rose last evening.

There were statements made, of course, during the course of the election campaign and prior thereto by the First Minister and by some of his colleagues about alleged "resource giveaways" that were being participated in or perpetrated by the previous administration, and from time to time this generalized term was used with respect to the negotiations on Alcan, the potash negotiations, the question of the Abitibi long-term agreement and matters of that nature. I'm sure that the First Minister will not deny this because I've got some examples of his comments here with me about repetition of the term, "resource giveaways."

Now that he's been in office for six months and now that we've had the advantage, Mr. Chairman, of questioning rather closely his Minister of Mines and Energy, and finding out from him that he wasn't aware of any resource giveaways that he could speak of in the negotiations, particularly on mega projects, could the First Minister enlighten the Committee as to what resource giveaways he has come across that he would like to give us detail upon?

**MR. DEPUTY CHAIRMAN:** The Honourable Premier.

**HON. H. PAWLEY:** Mr. Chairman, the prime example is the one of Tantalum Mines.

**HON. S. LYON:** Would the First Minister care to give us some detail on Tantalum Mine which would, according to his lights, qualify it as a resource giveaway?

**HON. H. PAWLEY:** Mr. Chairman, the facts speak well for themselves and they've been frequently related in this House, not just by myself but by other members. The foregoing of the picking up of an interest which indeed should have been picked up, an option in Tantalum Mines, the failure on the part of the previous government to do so, and the loss of subsequent earnings as a result thereof.

**HON. S. LYON:** Would the First Minister care to quantify what that alleged loss of earnings would be?

**HON. H. PAWLEY:** Mr. Chairman, I would suggest that it might be wise for the Leader of the Opposition to ask the various questions he has or to make the comments, so that I can bank my response in one total response.

**HON. S. LYON:** Mr. Chairman, I'm not the one laying

the indictment that there was a resource giveaway; it's my honourable friend. I asked him to cite an example. He cites the example of Trout Lake. We're all waiting with baited breath to hear how Trout Lake was a resource giveaway. Let him give us all the detail he can.

**HON. H. PAWLEY:** Mr. Chairman, I've just indicated that Tantalum is an example, Trout Lake is an example and it's our view that the negotiations that were under way required subsequent renegotiation by the government pertaining to the potash and to the Alcan and to the interim Inter-Tie. That is presently under way and certainly, there's been ample opportunity to discuss that and the information in regard to the subsequent completion of those negotiations are not completed.

**HON. S. LYON:** Mr. Chairman, let's deal with these matters seriatim. The First Minister has said that the Trout Lake project represented a resource giveaway. I would like to hear the evidence that he could call in support of that proposition.

**HON. H. PAWLEY:** Mr. Chairman, in pertaining to Tantalum first, the record is very clear —(Interjection)— Well then, I gather that the Leader of the Opposition is conceding that Tantalum indeed was a giveaway and we can dismiss the discussion pertaining to Tantalum. There is no question as to the gross nature of the giveaway in Tantalum. If indeed the government had not been defeated in '77, we would have picked up the option pertaining to Tantalum. The Province of Manitoba would have been subsequently much better off as a result thereof.

For detail, Mr. Chairman, there has been considerable discussion in the Legislature at various times pertaining to that and in fact the former Mines Minister, who the Leader of the Opposition has eloquently referred to as a very fine representative, the former Mr. Green, frequently pointed out the gross giveaway pertaining to Tantalum. The Leader of the Opposition doesn't place much credibility in the statements that are made by members of our government. I'm sure that he is prepared to accept the words of the previous Mines Minister, who he has heralded with great eloquence this last while as a very fine spokesperson. I refer the Leader of the Opposition, particularly, to the statements on page 3,643 of Hansard, May 19th, 1981.

Pertaining to Hudson Bay Mining and Smelting, it's our view that, in view of the value of the public share it should not have been sold as, indeed, it was for the interest that was realized by the Province of Manitoba pertaining to same, that the share was diluted to 25 percent interest in respect to Trout Lake.

**HON. S. LYON:** How much did the people of Manitoba lose as a result of these alleged giveaways that the First Minister is talking about?

**HON. H. PAWLEY:** Mr. Chairman, that is going to be reflected over the passage of years in respect to potential profits that would be earned by Trout Lake. I have no doubt that the present situation is a temporary situation, that with the passage of years will be well demonstrated. Obviously, when an interest is

reduced from 40-some percent down to 25 percent of a total mine, there is a substantial loss in profits and that will be reflected from year to year by way of reduced earnings insofar as the public of Manitoba are concerned.

It was the previous government that reduced the earnings from the share from 48-49 percent down to 25 percent. The calculations can be easily made year by year, Mr. Chairman, in regard to Trout Lake.

**HON. S. LYON:** Perhaps I can refresh the First Minister's memory. There's a Free Press report dated October 21st, 1981, wherein he is reported as follows. This is a report from Flin Flon during the election campaign.

Pawley said the Trout Lake project represents "a \$76 million hole in Manitoban's pockets." He said the profits from the 20 percent share "could reach \$90 million" but the province sold it for \$14 million. It's giveaways like Trout Lake which weaken the Manitoba economy. They turn the development of our economy over to multinational corporations instead of allowing room for healthy joint ventures between public and private corporations. They leave Manitoba at the mercy of those corporations' international priorities, he said. "I'm not happy at all over the last four years with what happened with MMR," Pawley said.

Pawley said mineral profits gleaned by the government including an estimated \$30 million by 1989 from the government's remaining 27 percent interest in Trout Lake will be poured back into further development. Having had his memory refreshed, does the First Minister still hold to the view that the cost of this alleged giveaway could reach \$90 million and could he advance any reason as to why Manitoba Mineral Resources decided to take that size of a shareholding?

**HON. H. PAWLEY:** I have no doubt, Mr. Chairman, that over a space of time the loss to Manitoba will be very, very substantial, indeed may be in excess of that.

**HON. S. LYON:** Mr. Chairman, then I have to ask the First Minister, is he aware of the report that was given by Mr. Wright, Manitoba Mineral Resources Corporation, last Thursday - I don't have the Hansard for it because it's not available yet - who was asked in that Committee what instructions had he been given in negotiating the share interests that the Province of Manitoba should take in Trout Lake. He replied that the best of the instruction that he had been given by the previous government was to do the best job that he could financially for the people of Manitoba and that the Minister didn't interfere in those guidelines that were given to the Manitoba Mineral Resources Corporation and that the deal that was made with Hudson Bay Mining and Smelting had to be a better deal, said Mr. Wright, than if the government, through Manitoba Mineral Resources and Granges, had gone on their own, and that Mr. Wright still thinks that this was a better deal than Granges and the government going on their own.

Now that was a statement that was made as recently as last Thursday in the Utilities Committee by Manitoba Mineral Resources. Is my honourable friend, the First Minister, saying that Mr. Wright doesn't know what he's talking about?

**HON. H. PAWLEY:** Mr. Chairman, Hudson Bay Mining and Smelting indeed does a number of concentrates for a number of companies including Sherritt Gordon without ownership interest in same.

**HON. S. LYON:** Well, having heard that non sequitur, would the First Minister care to respond to the summary that I have just given as to what Mr. Wright said were the facts of the case with respect to Trout Lake; namely, that Manitoba Mineral Resources made the best deal that they could with the Hudson Bay Mining and Smelting Company on behalf of the people of Manitoba, and that the kind of a deal that he proposes would not have been in the public interest of the people of Manitoba.

**HON. H. PAWLEY:** Mr. Chairman, that depends a great deal on the price and these decisions are ones that must indeed be taken by the public-elected representatives and I don't think that the Leader of the Opposition should be attempting to hide behind the skirts of Mr. Wright or anyone else that was in a technical position advising the previous government.

**HON. S. LYON:** Mr. Chairman, I'm not trying to hide behind anyone's skirts, I'm asking some questions of the First Minister based on evidence that was given to a Committee of this Legislature less than a week ago, which is totally counter to the wild rhetorical statements that this Minister was making during the election, and I'm asking him now that he's been in office six months is he willing to concede that the deal that was negotiated with Trout Lake is a better deal than what he was proposing wildly in October?

**HON. H. PAWLEY:** Mr. Chairman, no I'm not prepared to concede and I want to advise the Leader of the Opposition that we're more interested in proceeding on into the future rather than rehashing the past.

**HON. S. LYON:** Well, Mr. Chairman, if I'd made as many false statements during the election campaign as the First Minister did, I'd be interested in proceeding on with the future and having nobody dredge up those statements from the past too, so I can understand his recalcitrance, Mr. Chairman, in wanting to deal with the former statements that he made, but notwithstanding his recalcitrance, we're going to carry on in any case.

If the Manitoba Mineral Resources Corporation negotiated this deal and said that it was the best deal in the interests of the people of Manitoba, given the guidelines that they were given to do that kind of a deal, is the First Minister saying now that he's going to retire the Members of the Board of the Manitoba Mineral Resources and change the whole group over into some ideological bunch of puppets who will do what he wants rather than serve the public interest?

**HON. H. PAWLEY:** Mr. Chairman, I think that the Minister of Energy and Mines is here to provide the detailed information since this did come up in Committee. I was not present at the Committee Hearing that is the subject of the discussion. The Minister of Mines was and is quite anxious to respond to the claims that the Leader of the Opposition makes aris-

ing out of the Committee Hearings.

**HON. S. LYON:** Mr. Chairman, just so that we don't get you, Sir, into the same kind of ballup that occurred last evening with people trying to carry the ashes for the First Minister when the First Minister is being asked questions, let me say that my questions are posed to the First Minister. If he wants to take advice from his Ministers, let him take advice from his Ministers, competent or incompetent as they may be, but, Mr. Chairman, I think the First Minister would even agree, notwithstanding the bad advice he gets from his seatmate, that when statements that he has made are quoted back to him, that he should be in a position to answer for himself.

**HON. H. PAWLEY:** Mr. Chairman, we have no hesitation in the view that the Trout Lake deal was a poor one. I was not attending the Committee meetings; I understand, in fact, the Leader of the Opposition was not attending those Committee meetings either, but I'm prepared to bank the specific questions that the Leader of the Opposition has because this is debate involving Ministerial Salary and it is my understanding that is the common practice.

**HON. S. LYON:** Well, Mr. Chairman, I'm quite prepared to wait as well for the Hansard to come out from last Thursday's meeting, because we won't then be arguing about various interpretations of what was said, and I think the record will be very clear. I welcome the Minister's opportunity offered to debate this on another opportunity and I admit there will be other opportunities such as Supplementary Supply and so on, when we can look at the record of what Mr. Wright said without the benefit of the interpretation of anyone and have that clear.

Now, Mr. Chairman, leaving that in abeyance and leaving in abeyance the First Minister's allegation that there was a loss of some \$76 million, which is not borne out by any facts of which we're aware, I'd like to refer the First Minister to the Mega Projects, so-called; that is, the potash mine, the Western Power Grid and so on. I believe I heard the First Minister say a few minutes ago that because negotiations were going on that it was impossible for the government, in the interests of negotiations, to detail some of the concerns that they might have about some of the terms and conditions of the Mega projects. When does the First Minister feel that he will be in a position to talk freely to the House about, for instance, the Potash Agreement? Has the First Minister any concerns at the present time about the Potash Agreement now that he's fully seized of all of the facts including the memorandum that the former Minister in charge of negotiations left with his successor, the Minister of Mines and Energy? Are there any concerns that the First Minister has found in the draft of the Agreement on Potash that didn't occur to him before?

**HON. H. PAWLEY:** Mr. Chairman, it's my understanding that the Potash Agreement has already been discussed quite thoroughly during the Estimates, just this past week, of the Minister responsible for Mines and Energy.

**HON. S. LYON:** Yes but, Mr. Chairman, the First Minister is the man who signed a document called, in different terms, the New Deal for Manitobans, the Promise to Manitobans, the NDP Election Manifesto, and so on, in which he talked in various pages, and I can read them back to him, if he wishes, about the alleged resource giveaways. That's what the topic is, just so we can refresh the First Minister's memory, about the various resource giveaways that he was talking about in the course of the election campaign and now some six or seven months later, we merely want the First Minister, girded as he must be by the facts and information that he has obtained since coming into office, with a perhaps clearer sense of responsibility than he had when he was Leader of the Opposition, we would like him to tell us about what resource giveaways were implicit or part of the negotiations with respect, first of all, with the potash mine.

**HON. H. PAWLEY:** Mr. Chairman, we have information that the previous government, indeed, were informed by their own negotiators of the nature of the giveaways involving the potash development. That information is at hand. At the appropriate time we will release that information, Mr. Chairman.

**HON. S. LYON:** Mr. Chairman, all the First Minister is then saying is that the concerns that the previous government had that were on the negotiating table as a result of advice that we had received are the same concerns that this government has and, in fact, that they have found no new concerns that would support their allegation about resource giveaways?

**HON. H. PAWLEY:** Mr. Chairman, again the Leader of the Opposition doesn't appear to have understood or heard correctly. There were very, very substantial and serious concerns that were raised by those that were hired by the previous government, the advisors to the previous government, in relationship to the giveaway that was involved in regard to the loose terms in regard to the IMC contract and at the appropriate time we will release that information when it is in the public interest that same be done.

**HON. S. LYON:** Well, Mr. Chairman, then what the First Minister is saying is that the concerns that his government has are precisely the same concerns that were outlined to our government and that were on the negotiating table at the time the government changed.

Has the First Minister got any other concerns that justified his saying, before the election campaign, without benefit of the advice that was later given to him, that there were resource giveaways involved in the potash negotiations? What was he basing his comments on?

**HON. H. PAWLEY:** Mr. Chairman, we are dealing with the nature of the agreement. What we are attempting to do - these were not concerns that were shared by the previous government. Indeed, the previous government were ignoring the advice that they were receiving. This government is not ignoring the concerns that were raised by the advisors pertaining to the negotiation of the Potash Agreement and, Mr. Chairman, we are attempting to tighten up those con-

ditions to ensure that there's a maximization of public return. That is the process that's under way and unfortunately the previous government was not demonstrating the concern that was being expressed to them by their own advisors.

**HON. S. LYON:** Well, Mr. Chairman, I would be interested to know how the First Minister of Manitoba, on the 7th or 8th of June, 1982, can say what was in the minds of the Government of Manitoba prior to November 30, 1981, when it was negotiating a deal, which in the hands of his government, has seemed to have fallen dead in the water. Now, how can the First Minister speculate as to whether or not our government was acting upon advice that we were receiving from our advisors? What tittle of evidence can the First Minister propose to support that wild allegation?

**HON. H. PAWLEY:** Mr. Chairman, as I've indicated there will be appropriate documentation at the appropriate time.

**HON. S. LYON:** Well then, Mr. Chairman, I must ask, has the First Minister's view as to the appropriate time changed as to when the public should be told about the negotiations that are ongoing?

**HON. H. PAWLEY:** Mr. Chairman, we are attempting to ensure that we get a development that is satisfactory to Manitobans. We're working on the basis of the information, that indeed was good information, that was supplied to the previous government. We're taking that information much more seriously than did indeed the previous government. When we reach a point, Mr. Chairman, of a hopefully satisfactory concluding agreement, then we'll be prepared to defend our actions and our comments at that time. At this stage, we're in the process of negotiation.

**HON. S. LYON:** Well, Mr. Chairman, there was a time, was there not, when the First Minister was advocating that, and his colleagues were advocating that there should be public hearings on the negotiations into the potash mine? Does the First Minister still hold to that view?

**MR. DEPUTY CHAIRMAN:** Order please.

**HON. H. PAWLEY:** Mr. Chairman, I would expect that at the appropriate time, there will indeed be public hearings.

**HON. S. LYON:** I would take it, Mr. Chairman, that if it was valid for the First Minister, as Leader of the Opposition, to call for public hearings on the potash negotiations a year ago, that concept would still be valid now, would it not?

**HON. H. PAWLEY:** Mr. Chairman, the big difference is that we have never claimed to have a deal practically negotiated. The previous government claimed, Mr. Chairman, to have an agreement that was completed and was practically wrapped up in ribbon, as I recall it, to the extent that a great deal of advertising was spent just prior to the election of last year leaving that very clear impression with all Manitobans that the Alcan,

that the Inter-Tie, that the potash deal were just about consummated, that everybody could rest quite easy. Indeed, we were sitting on a pot of gold, as I recall the reference that repeatedly was demonstrated to us, compliments of the taxpayers of the Province of Manitoba, Mr. Chairman, so that Manitobans were certainly left with the impression, in this House, by way of advertising from every quarter, that these projects were just about consummated, that everybody could breathe easily, that there was a great future ahead, that the projects were practically there.

Mr. Chairman, we have not and purposely have not left any such impression with Manitobans. We are in the process of hard negotiation. We are not negotiating with our backs against the wall politically nor are we going to place ourselves in that position.

**HON. S. LYON:** Mr. Chairman, did the First Minister write the following Letter to the Editor which appeared in the Winnipeg Free Press on June 13th, 1981? I quote from the final two paragraphs:

"I want Manitoba's potash to be developed on the terms that are best for our province. Let the Conservatives show whether they are negotiating such terms. There has been much talk about the draft definitive agreement but it is being kept secret. The government's Toronto accountant's reports are secret. The cost, price and other assumptions are not known. Don Craik should accept the call for public hearings made by Vic Schroeder, MLA for Rossemere, and supported by the Free Press." It is signed, Howard R. Pawley, Winnipeg. Did the First Minister make that statement?

**HON. H. PAWLEY:** Mr. Chairman, I thought I said just a few moments ago that at an appropriate time there will be public hearings but we find that the alleged agreement was far from being consummated, despite the impression that was left in this Chamber by the previous government. They left an impression that did not bear up insofar as the progress that had been made.

**HON. S. LYON:** Mr. Chairman, perhaps the First Minister, having obviously changed his point of view about the necessity or need for public hearings, perhaps could he tell us, on that same topic, whether or not his government which used to make a great argument about insufficient royalty structure for potash, maybe he could tell us whether his government is going to change the proposed royalty structure on potash that was being negotiated with IMC or is it going to do as it did with respect to oil royalties, condemn them when they were reduced by the government and by our government and then keep them in place when they get into office and say they're fine for attracting industry? Is that what we're going to see; a duplication of that kind of hypocrisy?

**HON. H. PAWLEY:** Mr. Chairman, we are intending certainly to review, and the Minister has indicated that he is reviewing the rate of return insofar as Manitoba's concerned. We'll also be monitoring what is taking place in Saskatchewan to ensure our competitiveness. We have clearly indicated that maximization of the public return is the important ingredient as far as Manitobans are concerned. There is no point, Mr.

Chairman, proceeding with development if the benefits of that development are not realized in a maximum way for Manitobans. That is a fundamental commitment. The Minister has committed himself to review those terms in the negotiations that is presently under way. That was not indeed the position of the previous government of the Province of Manitoba.

**HON. S. LYON:** I'm afraid, Mr. Chairman, that the First Minister is demonstrating his lack of knowledge, really, of what was happening with respect to the mega projects. That has been apparent throughout the term of this House so we won't embarrass him further, except to say this, that the Minister just finished making a gratuitous statement to this House to the effect that he wasn't trying to lead on the people of Manitoba to the effect that there was some agreement that was in place and just about ready to be signed and so on, that he wasn't about to do that with respect to the people of Manitoba, but rather he was going to negotiate, not with his back to the wall, and all of these other macho flourishes that he attached to his comments.

I remind the First Minister that his government turned out a Prospectus, not to the people of Manitoba but to the borrowers who were supporting a \$200 million loan that the Government of Manitoba was trying to make. I quote from page seven of that Prospectus, and this Prospectus, Mr. Chairman, was dated the 23rd of December, 1981 and was attached to the Prospectus that was issued on March 8th, 1982. So the First Minister, having had the full knowledge, as he now alleges, the fact that there was no agreement in place and so on, that the negotiations were not to his satisfaction and so on, here's what he and his government said in the Prospectus on page seven:

"In May, 1981, the province entered into a Memorandum of Agreement with International Minerals and Chemical Corporation Canada Limited (IMC), relating to construction of a \$640 million potash mine and refinery in western Manitoba, with a proposed annual production capacity of 2 million tons of potash and providing for joint ownership of the facility by Manitoba Mineral Resources Limited, a Crown corporation, and IMC. (See gross investment)."

Mr. Chairman, there was nothing in that agreement, other than what I read at the time I made my remarks on this Prospectus, to suggest to the borrower or to suggest to those loaning money, to whom my honourable friend and his colleagues were rattling their tin cup down in New York or to the people of Manitoba, that there was anything but go ahead on that. Indeed, they didn't tell in this Prospectus, they didn't tell the people of Manitoba, they didn't tell the borrowers that they had allowed the Memorandum of Agreement that they were touting in this Prospectus to expire on the 15th of December, 1981. So I can agree with the First Minister that there is less chance of that mine happening in Manitoba now, not because of anything that occurred prior to November 30th, 1981, but because of the misfeasance, nonfeasance, malfeasance and sheer incompetence of what has occurred since November 30, 1981.

Would the First Minister care to dilate upon why that statement was made in the prospectus if he wasn't trying to hold out to people loaning money to Mani-

toba, and to the people of Manitoba that agreement was still in place? You can't have it both ways.

**HON. H. PAWLEY:** Mr. Chairman, that was dealt with several times at some length by the Minister of Finance.

**HON. S. LYON:** I'm asking the First Minister for his view as to why that statement was made in the Prospectus when it is in direct contradiction of what he just finished saying in this House a few minutes ago.

**HON. H. PAWLEY:** Mr. Chairman, the Minister of Finance has dealt with it at some length. I'm satisfied with the responses he provided in this House.

**HON. S. LYON:** Mr. Chairman, the First Minister may be satisfied with the response of his Minister of Finance, but I'm not and the people of Manitoba aren't going to be.

Furthermore, I'm not satisfied with the First Minister standing up in this House, a matter of a few minutes ago, and making a statement which is contradicted by the very Prospectus which his government turns out with respect to the touting of a potash mine, which he now says wasn't anywhere near the final stages of negotiation. He can have it one way or he can have it the other. The House prefers the truth. Can we now hear it from the First Minister?

**MR. DEPUTY CHAIRMAN:** If the Member for Pembina would like to speak, would he stand?  
The Honourable Leader of the Opposition.

**HON. S. LYON:** We're waiting for the First Minister to tell us how it is that a few minutes ago he could say in this House that his government did nothing to lead the people of Manitoba to believe that a potash mine was just on the verge of happening, when in fact in the Prospectus that is precisely what the Government of Manitoba did by saying that there was in existence a Memorandum of Understanding which the First Minister and his colleagues knew they had allowed to expire on the 15th of December, 1981.

**HON. H. PAWLEY:** Mr. Chairman, we have indicated, indeed I indicated a few moments ago that we are continuing the negotiations. We're continuing those negotiations in good faith. I'm not aware of my Minister of Finance, my Minister of Energy and Mines indicating other than the negotiations are under way; that the terms are under review. We have not uttered statements to leave the impression that agreement was just around the corner.

**HON. S. LYON:** Well, Mr. Chairman, then perhaps the First Minister, if he's having trouble with this question, as I know he obviously is, perhaps the First Minister can tell us why that statement was included in the prospectus dated March 8, 1982 when, in fact, the Memorandum of Agreement, which he was touting in the prospectus, had been allowed to expire on the 15th of December. Is that kind of statement or is that kind of information consistent with full reporting that the Securities and Exchange Commission in the United States expects from provincial governments?

**HON. H. PAWLEY:** Mr. Chairman, I'm not aware of any comments from the Securities Commission in the United States at all in regard to the prospectus. If indeed they were concerned, it seems to me that they would have released information or lodged with us the complaints pertaining to the prospectus. The only complaints that we've heard about the prospectus has been from the former Minister of Finance and the Leader of the Opposition. Mr. Chairman, there is quite a difference between a Memorandum of Agreement and a firm, completed agreement.

It's my understanding indeed that there were aspects of the original Memorandum of Agreement that weren't abided by as per that Memorandum Agreement. There's a large difference between a Memorandum of Agreement and a final agreement.

**HON. S. LYON:** Well, if the First Minister, Mr. Chairman, refuses to come to grips with his own statements which are in contradiction to what he says in a formal way in the prospectus then he and his conscience will have to live with that problem.

I move along now because, obviously, he has a very convenient amnesiac memory as to what he has said even five or seven minutes before. But, if he wasn't touting to the people of Manitoba this agreement, why was he touting it, I say to the borrowers and he has, let the record show, Mr. Chairman, he has no answer to that question.

Now, with respect to the Alcan negotiations, Mr. Chairman. Can the First Minister, who was the one who was talking during the election campaign about resource giveaways in his party propaganda, can he identify any problem with respect to those negotiations in the nature of a giveaway except what has already been identified by the Minister of Mines and Energy, a legitimate negotiating concern about what happens with respect to the recapture of the units of the power plant at the end of 35 years. Are there any other aspects of that negotiating agreement that fall into the First Minister's categorization as resource giveaways?

**HON. H. PAWLEY:** Mr. Chairman, the concern involves, as the Leader of the Opposition knows full well, the agreement, its potential impact insofar as other hydro consumers, those that are indeed purchasing hydro, it's a pertinent and major concern to us. That is the very reason that negotiations are under way. It's very easy to indeed sign the first agreement that comes one's way if you're not concerned about the potential impact that might have pertaining to other hydro users in the province.

**HON. S. LYON:** Well, Mr. Chairman, this is an interesting approach. Perhaps the First Minister would care to identify the negative impacts upon the hydro ratepayers of Manitoba as a result of Alcan coming to Manitoba and taking 400 megawatts of power per day over a 35-year period at a rate and under conditions to be negotiated. Would the First Minister care to expand upon what the prejudice is that would result to the hydro ratepayers in Manitoba?

**HON. H. PAWLEY:** Mr. Chairman, I say this regretfully, that the Leader of the Opposition should be

conscious of the fact that we are attempting to negotiate the best possible deal for the ratepayers of the Province of Manitoba. The Leader of the Opposition should be giving us support in that respect because there are major concerns pertaining to what happens in the future with the escalation of the costs of constructing hydro plants. There is no question that in the future that hydro plant construction could potentially cost \$5 billion, \$10 billion and during the term of this agreement that is proposed, what will be the impact on all other hydro users in the Province of Manitoba that must contribute toward that inflated cost of hydro plants in the future if, indeed, a major user of hydro in the Province of Manitoba is excluded from contributing to that additional cost.

Secondly, Mr. Chairman, there is a major concern that I think the majority of Manitobans feel, properly and rightly. Has Inco the same kind of claim? Does Inco have the same right, because I think that Inco has as large or indeed a larger interest than indeed Inco? In fact, it may very well be that Inco was in the process. For all I know maybe the former government was going to give Inco private ownership of a dam on the Nelson River. Why not? Or in the Burntwood River or any other river in Northern Manitoba. So that, Mr. Chairman, determined —(Interjection)—

**MR. DEPUTY CHAIRMAN:** Order please.

**HON. H. PAWLEY:** So, Mr. Chairman, there are very serious matters pertaining to the public interest in the Province of Manitoba. We intend, through the process of negotiation, to quietly and firmly carry on with those negotiations and ensure that there's a fair deal for Manitobans and indeed at the same time to, if it is possible on satisfactory terms, to encourage the locating of such projects in Manitoba but not at the overall expense of the detriment of Manitobans as a whole and other hydro users.

**HON. S. LYON:** Mr. Chairman, is the First Minister trying to tell us that he has had advice from Manitoba Hydro which would be contrary to anything we heard at the Public Utilities Committee when Hydro was reporting that the negotiations with Alcan somehow or other would be disadvantageous to the hydro ratepayers in Manitoba?

**HON. H. PAWLEY:** Mr. Chairman, unfortunately Manitoba Hydro was excluded from those negotiations. The negotiations took place under the full auspices, as I understand it, of the former Minister of Mines responsible for the Manitoba Hydro System and Manitoba Hydro was bypassed in those negotiations.

**HON. S. LYON:** Well, Mr. Chairman, I understand the contrary. I was there and the Minister of Mines and Energy was yipping and yapping as a Member of the Opposition at the time but Hydro was involved in the negotiations through at least the Chairman. I can't name all of the other people. I know that Mr. Jarvis, when he joined the staff of Hydro, was also involved as he is still involved. So, my honourable friend, the Minister of Mines and Energy who's quick at giving misinformation to the House and to the First Minister

should perhaps keep his private thoughts to himself until he apprises himself of the facts.

I'm still asking the First Minister, however, under the category of resource giveaways and it was in his notorious "Clear Choice for Manitobans" brief where he talked about "Manitoba's natural resources could provide us with economic security for generations to come but this can only happen with resource development for Manitobans, not resource giveaways. Lyon's Conservatives have been willing to sell off our resources to multinational corporations," hear all of the nice left-wing trigger words in there, multinational corporations, to benefit their shareholders. The wealth generated by our resource flows out of the province. The potential jobs in refining of products and the development of new technology are lost to Manitoba with Tory resource giveaways. Very simply, Mr. Chairman, we want the First Minister to identify in the Alcan deal what was the resource giveaway that he was alleging there?

**HON. H. PAWLEY:** Mr. Chairman, it's been dealt with in some detail, I understand, the entire question of the buy-back pertained to the Hydro agreement.

**HON. S. LYON:** Mr. Chairman, we already acknowledged that that was one item to be negotiated but that was hardly the substance of the whole agreement and may I, while I'm on my feet, Mr. Chairman, advise the First Minister that it wasn't a question of Alcan just coming along to Manitoba and saying gee, we'd like to do you a favour and settle this plant in Manitoba.

The former government had the ability, unlike this government, to go out and to talk to businesses both within this province and outside of the province because we didn't have the paranoid hangups that my honourable friends seem to have about multinational corporations and all of those trigger words that my honourable friends seem to have when they're in Opposition; then when they're in government they sit around the same table and say they negotiate in good faith with the same multinationals that they condemn when they're out of office. Then they have to send their Minister of Mines and Energy trotting out to Alberta to console the oil companies that are doing a marvelous job of exploring in Manitoba because, quite rightfully, they have their pants frightened off them by these rhetorical flourishes of people like the Minister of Mines and Energy and the some of the other left-wing advocates who get into my honourable friend's party to the disadvantage, not only of the public but, I may say, of the party.

So we can understand this paranoid syndrome that exists within the socialist party in Manitoba but that's not the point. The point is can the First Minister identify any resource giveaway other than the alleged recapture of the plant at the end of the term that caused him to make the statement during the campaign about resource giveaways. We're merely asking him to give some evidence in support of these rhetorical flourishes that he made during the campaign.

**HON. H. PAWLEY:** Mr. Chairman, it's already been well documented, in our view it's a very big potential giveaway, \$10 billion to \$15 billion, that pertains to the Hydro buy-back. Mr. Chairman, I'd like to say a

few words . . . —(Interjection)—

**MR. DEPUTY CHAIRMAN:** Order please. I would hope that the honourable members would allow a clear hearing of the Premier just as I would hope that members on the government side would allow a hearing of the Leader of the Opposition.

**HON. H. PAWLEY:** Mr. Chairman, it disappoints me to hear the kind of references it disappoints but it doesn't surprise me being espoused by the Leader of the Opposition because the Leader of the Opposition insists in not living within the world of reality at the present time.

Mr. Chairman, this government has had no problem whatsoever in dealing with business and the business community. It may be that the Leader of the Opposition isn't very happy about that. It may, indeed, be the reason that members across the way are so obviously thin-skinned. It's either that they're very very thin-skinned or they're still smarting from the results of the election of November 17th. Manitobans can certainly choose which of the two, either they are thin-skinned or they are still suffering from sour grapes from the election of November 17th or, indeed, both. I would kind of think, Mr. Chairman, that it would be both because this government is acting in a constructive and a positive manner.

Mr. Chairman, I am not aware of complaints from Alcan about the negotiations that are under way. Alcan has its interests and I anticipate that they will represent their interests as well as they possibly can in the interests of Alcan. But, Mr. Chairman, I say to the Leader of the Opposition that the responsibility of members in this Chamber, because we represent Manitobans as a whole, is to negotiate as well in the interests of Manitobans as, indeed, Alcan is doing on behalf of the interests of Alcan. Mr. Chairman, if indeed, we accommodate ourselves to a situation by which we do not negotiate on the basis of representing the public interest, then we will fail Manitobans.

I'm pleased, Mr. Chairman, that the Minister of Energy and Mines and other Ministers are in the process of such negotiations at the present time despite the fact that the aluminum industry worldwide has, indeed, gone for somewhat of a tailspin. Those negotiations are continuing, Mr. Chairman. Alcan hasn't called off the negotiations despite the fact that the world market pertaining to aluminum has gone into a tailspin, although I understand that in some jurisdictions they have discontinued negotiations. In the Province of Manitoba they are continuing negotiations and we continue negotiations with Alcan. What more can be expected of a government but to represent the public interest? I've indicated the reservations we've had pertaining to the original agreement and those discussions are under way; those concerns have been related to Alcan. I suppose, Mr. Chairman, the simplest thing for us to do would be to sign the first deal that comes along. That would be the simplest. Then we would be able to say to members across the way, we've signed the deal; we can all now relax; we've done our duty.

Mr. Chairman, I want to say to you and I expect, indeed, the signing of that deal might create a lot of relief in many, many quarters and understandably.

The transaction that is completed by this government must, indeed, stand the light of day with the passage of years and the passage of decades because what we complete today not only affects ourselves, but it affects those that follow us and this government, Mr. Chairman, is not a government that is going to sign a contract on an expedient basis. We want a fair contract, a contract that is arrived at through firm negotiations. We expect Alcan to negotiate firmly with us. We intend to negotiate firmly and fairly with Alcan. What more can be expected?

Mr. Chairman, I want to also respond to what I think is an unfortunate kind of comment on the part of the Leader of the Opposition because it places into disrepute Manitoba. He made some statement - the Leader of the Opposition can correct me if he chooses - a few moments ago that the Minister of Energy and Mines was crawling to Alberta to try to console the oil companies in the Province of Alberta.

Mr. Chairman, I noted in the Winnipeg Free Press this morning that Omega has, indeed, tripled its wells in the first quarter of 1982. Mr. Chairman, there is an increased interest in respect to oil development in the Province of Manitoba. Mr. Chairman, I think it's unfortunate the Leader of the Opposition leaves some kind of false impression in this Chamber that this government has to travel to Alberta to reassure the oil companies when, indeed, that is not the case. I know the Leader of the Opposition, the former Minister of Economic Development and the Member for Pembina don't like to see the New Democratic Party Government carrying on constructive and fair negotiations with the oil companies; it seems to trouble them a great deal. But those negotiations are carrying on, Mr. Chairman, and we're satisfied that they're carrying on on an appropriate basis, that progress has been made, and indeed that is — (Interjection) — Mr. Chairman, I do ask that the Member for Pembina - I find it difficult to speak above his voice from his seat.

**MR. DEPUTY CHAIRMAN:** Order please. If the Member for Pembina wishes to speak, I will put him on a speaker's list.

**HON. H. PAWLEY:** Well, Mr. Chairman, I don't intend to yell, to try to shout members across the way.

No consolation is required. Oil production in the Province of Manitoba is increasing well and I'm very pleased, Mr. Chairman. I believe Manitobans are very pleased that, indeed, there is now a government that doesn't have to negotiate its back against the wall. I trust that will not take place with our government and that we will have to negotiate from a position of expediency or political weakness.

Mr. Chairman, we are prepared when negotiations either succeed or not succeed to fully justify our actions in detail and also to release the information that was made available to the previous government that gave the previous government advice so that Manitobans can compare the actions of this government, the actions of the previous government in respect to advice that was provided to the previous government. We're prepared to do that at the appropriate time. I'd give that to the Leader of the Opposition.

**HON. S. LYON:** Well, Mr. Chairman, just on the last

point before we come to the more substantive point because I appear to have touched a very touchy nerve in the First Minister when I talk about the need of this government to reassure the private sector that it doesn't really mean what it says during the election and that, in effect, is what he is saying, because during the election he went around talking about resource giveaways to multinational corporations. Now he has to deal with those multinational corporations and he, in effect, says to them as he just finished saying in this House, there's nobody over here but us decent people; we don't really believe that socialist rhetoric that we put out during the campaign that talked about joint ventures and talked about resource giveaways; we don't really believe that, chaps; we're just a good bunch of fellows here; just don't pay any attention to the NDP stuff; that's done for the rank and file. That's what the First Minister seems to be saying in the House now.

But I'll tell him why he has to reassure the oil companies and the other parts of the private sector because his party when it meets annually with respect to public policies in Manitoba deals with resolutions of the following kind.

Let me read to my honourable friend this resolution that was dealt with by his party under his leadership when he was Premier back, I believe it was in February of 1982, just a few short months ago. Let me read the resolution and for the better edification of members opposite it's Resolution No. 82-1200-1 and it reads as follows: "WHEREAS the New Democratic Party at the last two Provincial Conventions and the National Convention passed motions to nationalize where and when necessary, this Convention must act in unison to this motion. THEREFORE BE IT RESOLVED THAT the Manitoba New Democratic Party, now the Government of Manitoba, nationalize Imperial Oil Canada Ltd., Gulf Oil, Shell Oil and Texaco Ltd.," unquote. Now, that is a Resolution put in by the people of Churchill.

The Member for Springfield says - I suppose with his computer-like recollection - that the resolution didn't pass. My God, Mr. Chairman, it's frightening that it's even discussed, let alone passed. We're in a democracy in this country, not — (Interjection) —

**MR. DEPUTY CHAIRMAN:** Order please.

**HON. S. LYON:** And if my honourable friend, the Member for Springfield, Mr. Chairman, who interjects usually to the discomfort of the First Minister, for good reason, if the Honourable Member for Springfield wants further evidence as to why his colleagues on the front bench have to go out and quiet down industry, then it's because resolutions such as this are seriously debated at their conventions when they get together in their left-wing conflabs and talk about the great Marxist world that they would like to inflict upon the people of Manitoba.

Mr. Chairman, there are dozens of other examples that I could read to the First Minister to refresh his memory about the rather upsetting resolutions that he and his party regularly put forward in debate. In fact, I go back to the Preamble of this resolution which states and I'm in no position to judge because I don't go to New Democratic Party conventions, but people

opposite do. Here's the Preamble, "WHEREAS the New Democratic Party at the last provincial conventions and the national convention passed motions to nationalize where and when necessary."

So I can only presume from that Preamble that's what happened at the last two provincial conventions and the national convention of the New Democratic Party. Can it be unexpected, Mr. Chairman, that strikes a fair amount of concern in the hearts of people in the private entrepreneurial system when they read that a party that has come into office in Manitoba is a party that says that it's prepared to nationalize where and when necessary and then goes on and talks about nationalizing Imperial Oil Canada, Gulf Oil, Shell Oil and Texaco? Can you not understand the fact that the Minister of Mines in his own words said not too long ago in this House that he was going out to Alberta to talk to the oil companies, to reassure them that the royalty structure was going to stay in place and that ManOil was not going to be a threat to them? He said those words in this House. —(Interjection)— Yes well again, Mr. Chairman, we don't need the Minister of Mines and Energy to interpret his words. They're in Hansard, thank heaven. They're in Hansard, Mr. Chairman. I realize, Mr. Chairman, the complete sensitivity of our socialist friends opposite, because they do have to reassure the private sector because of the very simple reason that has just been documented in this House. They try to say to people they don't mean what they say during an election campaign. That's what they say to business. Don't pay any attention to this stuff - this is what the First Minister just finished saying - don't pay any attention to what we said about resource giveaways, we're going to negotiate with you in good faith, says he. Well, Mr. Chairman, I'm not going to take the time of the House to read some of these other frightening resolutions that his party debates as though they were something that is commonplace and so on.

Maybe I should leave this topic just by reminding the First Minister of Resolution 82-1200-16 and I'll just give him the operative part of that Resolution. "THEREFORE BE IT RESOLVED THAT the NDP Government of Manitoba undertake a study on the feasibility of distribution and marketing of natural gas in the province through a Crown corporation." And as the First Minister goes out and speaks to Brandon and to the Chamber and is palsy-walsy with all of the business people which he's fully entitled to do to try to reassure them that he didn't really, and his party doesn't really follow that policy. That's why they have to reassure the business community and we don't hold anything against my honourable friends for this Jekyll-Hyde position that they have. We merely point it out from time to time that the Dr. Jekyll is turned into Mr. Hyde and vice versa, Mr. Chairman. Their real message to business is, don't believe what we say during an election campaign when we're spreading a bunch of rhetoric to get the voters excited. Don't believe a bunch of rhetoric about that. We'll deal with you and put all of that stuff behind you.

Now, Mr. Chairman, to get down to cases on the Alcan deal - and the First Minister has yet to identify any resource giveaway in the negotiated Alcan deal - let me read to the First Minister again what he said in "Policies of the Manitoba New Democratic Party, A

Clear Choice for Manitobans." This is under Energy: "Orderly development of northern generating stations would commence immediately. Adequate planning and training would be undertaken to ensure maximum benefits for Manitoba from hydro development. The NDP will not allow Alcan ownership of a hydro-electric plant. Energy development, not energy giveaways, are the policy with greatest benefit to future generations of Manitobans."

So now, Mr. Chairman, the First Minister says to us, in his usual bland way, usually missing the point of the question, but says to this committee and his words stay etched in Hansard for all of us to benefit from in another year. "We're negotiating very well with Alcan. Everything's going along swimmingly," which is my term, not his, but that's the impact of what he is saying. This is what we said during the election campaign. The NDP will not allow Alcan ownership of a hydro-electric plant. His Minister says, "Well, everything's up for negotiation at the present time. Neither party is taking any preconceived position." Does that mean, as the Minister has been asked on a number of occasions - this is my first question to the First Minister - that the NDP have abandoned their idea of not allowing Alcan ownership, or more accurately, partial ownership of Limestone? That's Number one.

If that is the case, does that mean then, Mr. Chairman, that the First Minister and his colleagues have been told what, indeed, the previous government had been told? I read now from the Annual Report to Employees, 1981, by Alcan. Reading from page 2 of that document. Quote: "Another internal development was the further clarification of our strategy for smelter expansion and rebuilding. In this area our priorities are now firmly established. The modernization and revitalization of our existing Canadian facilities must proceed in an orderly manner over the remainder of this century. Expansion opportunities must be viewed in the context of this modernization commitment. These modernization and production expansion strategies, predicated on our ownership of hydro-electric power stations, remain intact. However, the timing of significant projects will have to be delayed as a result of current financial constraints. We are involved . . ." I interject, Mr. Chairman, to say I'm reading the whole paragraph to be fair. I don't want to be accused of quoting out of context because I want the First Minister to realize the import of what the company is saying because I know in private they have been saying it to him. "We are involved in ongoing discussions with the Provincial Governments of Quebec, Manitoba and British Columbia, so that when the time is ripe to move forward with our plans, we will have the necessary government and public support." Unquote.

Now, Mr. Chairman, my colleague, the former Minister of Economic Development, the Member for Sturgeon Creek, said in the House the other day that Alcan and other large aluminum companies have to be prepared, notwithstanding the admitted serious downturn in the economy as it affects the mineral industry and affects the whole economy in Manitoba, notwithstanding that, Alcan wants to be prepared when that market condition improves and God hopes that it does improve soon for the benefit of all people in this country. They've got to be prepared then to move ahead

with the expansion.

They say, as we knew, that they are negotiating with Quebec, with British Columbia and with Manitoba. We know that the Manitoba negotiation is the only off-shore plant that Alcan has ever contemplated. The reason for that is that Manitoba has an excess supply of energy which we can develop to the advantage of the people of Manitoba, to the advantage of Alcan, and provide at the same time, and this is something we never hear the honourable members across the way talk about. Here is something that is being held up by the negotiations and by the negotiating stance that apparently is still in place based upon this great NDP document during the election that they won't negotiate with Alcan about partial ownership of the plant.

Here's what they're putting at jeopardy. They're putting at jeopardy something like the work, right now at peak, when that plant could be built, 190 carpenters; 300 electricians; 230 iron workers; 60 rebar workers; 80 boilermakers; 70 pipe welders for a total of 5 million man hours of direct on-site employment, not including extensive off-site fabrication. These, Mr. Chairman, are statements that are made by an official of Alcan who was speaking to the Annual General Meeting of the Winnipeg Construction Association in March of 1982.

Mr. Chairman, "The end cost of the plant," said this official in March, 1982, "was \$850 million in 1981 dollars of which 60 to 70 percent could be spent in Manitoba. The smelter development would employ up to 600 construction workers for a five-year period, a further 750 permanent employees once the plant's completed and an additional 600 employees involved in indirect job servicing the operating facility. It's expected that as high as 90 to 95 percent of these employees could be Manitobans."

Mr. Chairman, Alcan is also considering using the same process for tenders as it had with Quebec by breaking the total job down into smaller packages allowing local contractors - that means Manitoba contractors - to have an opportunity to tender. For example, in Quebec a total of 32 foundation contracts had been awarded with a combined value of \$43 million and also a total of 18 electrical contracts for a total of \$9.3 million. The official also predicted that in proper economic circumstances, four or five more smelters the size of the one proposed for Manitoba would be required within the next 20 years.

Mr. Chairman, I only mention those facts to indicate a side of the Alcan development that seems to go largely unremarked by the members of the present government, preoccupied as they are with their tunnel-vision concern about who's going to have partial ownership of the Limestone plant. I haven't even begun to talk about the benefits that will flow from the Limestone plant. We know that what the previous government was working on, and working toward a conclusion on, the Western Inter-Tie, is what will enable that plant to start first of all and the concurrent guarantee of sale to Alcan of that power, can guarantee that plant could start to go ahead in 1982, if my honourable friends would only get rid of their tunnel vision and realize that there were no resource giveaways implied or actively involved in the Alcan negotiations, not up until the date that we had left them, but realizing that one of the preconditions for Alcan com-

ing to Manitoba was that they would have partial ownership of a certain number of turbines in that unit during the length of the first contract which is \$35 million. Unless I am mistaken, and unless the quality of advice, Mr. Chairman, that this government is receiving from Manitoba Hydro is much different from the quality of advice that we were receiving, that is good for Hydro and I don't think that Manitoba Hydro has changed its view, that this is good for Hydro and good for Manitoba.

I come back, Mr. Chairman, to say to my honourable friend, the First Minister, we know why he and his government have to move around and reassure the business community, be it Alcan, be it small business or anybody, because of the reputation that his party has for tomfoolery when they get into office in blind adherence to their funny ideology. I merely say to the First Minister, let him be a fully rounded and working First Minister for Manitoba, and the first thing to do in that regard to serve the public interest is to put the ideology to one side and get down to fair bargaining on a realistic basis with IMC, with Alcan, not encumbered with all of the flotsam and jetsam of his 150 year-old doctrine which is of no particular concern to me or the people of Manitoba. We want some action out of this government because what his doctrine appears to be putting at jeopardy is the numbers of jobs that I've just related that can come to this beleaguered economy in Manitoba and it's more beleaguered now than it was six months ago. My honourable friends have done nothing, not a thing, to give any hope to the people of Manitoba that these projects can proceed, even though we admit, anyone will admit that economic circumstances may well cause Alcan to have to put a different time date on the completion of their project. For heaven's sake, let's sign and seal an agreement with them.

We don't favour giveaways. We never have, but we want legitimate negotiation not based on an ostrich-like view which is tied into some socialist-rhetorical position about no ownership because we don't believe that Crown corporations should have any private ownership in it. Sit down at the table in good faith with competent negotiators, if I may add that, Mr. Chairman, with people who understand what the business world is all about and serve the public interest in Manitoba. Sit down with those people and come to a rationalization of the situation which will cause Alcan to sign that deal even though they can't move ahead with immediate construction. There is too much at stake for the people of Manitoba for generations to come to permit either the Western Inter-tie, to permit Alcan or to permit the potash mine to be lost while this government tries to arrange or rearrange or put into some form of order its ideological bric-a-brac while companies are sitting there ready to negotiate in good faith with the government.

I have expressed the view and I regret the pessimism that is inherent in this view, but I've expressed the view that if my honourable friends had gotten off the mark on potash, they might well have had something signed with IMC before the government changed in Saskatchewan. It's no secret, Mr. Chairman, that one of the reasons that IMC was coming to Manitoba was that it couldn't deal with the Government of Saskatchewan. Mr. Chairman, now that there's a government

in Saskatchewan with whom any company can deal on an honourable basis, that is on the basis of not being cluttered up with Crown corporations or other dogmatic preoccupations, now IMC may well be given the signal to go ahead to develop further tonnages of potash in Saskatchewan without the necessity of building a head frame in Manitoba and, because of that, we lose the chance of our first potash mine, Mr. Chairman.

I'm not trying to blame the First Minister of this province for the welcome outcome of the election in Saskatchewan, but I'm merely saying that time does have from time to time a fundamental change on events that can occur and we may well be witnessing in Manitoba because of the dithering that took place on the part of the First Minister's Government with respect to potash, allowing the Memorandum of Understanding, Mr. Chairman, to expire on December 15th, and saying in effect to IMC, well, let's go back to square one and you put in some proposals and we're talking to other people, including Sask. Potash and so on. That's not calculated, Mr. Chairman, to encourage the kind of welcome or stimulation that was in place before November 30, 1981, where the negotiators on both sides knew that this was good for Manitoba and good for the company. It's got to be good for both or you won't have a deal. Let's try to restore that kind of a feeling that was in place for the benefit of Manitobans, so that my honourable friend, the First Minister, can go into the Town of McAuley with his head high rather than try to sneak through in the dark as he would have to now. The people in McAuley, the people in Western Manitoba were counting on that as one of the biggest developments that had ever occurred for Western Manitoba.

My honourable friend is under the gun. I tell him, he's under the gun in a way that he, perhaps, doesn't even understand yet. The people of Manitoba knew that these projects were within their grasp, now because of whatever is happening with respect to my honourable friend's ability or inability to negotiate, those projects are further out of reach than they were six months ago. In fact, the expression - my honourable friend has heard it, I'm sure - on the street in Winnipeg is that they're dead in the water and I regret that very very much. I regret that because I want them to be alive in the water and I want this government to do its job and I want this government to negotiate those deals because the people of Manitoba desperately need this kind of economic injection to provide the kinds of jobs that we talked about that are available from one project alone, let alone of the start up of Alcan or the start up of Limestone.

So, Mr. Chairman, that's the indictment that I have against my honourable friend; that's the indictment that I have against his rhetoric; that's the indictment that I have against his position which in effect is, even though we say these things during the election campaign, we really don't mean them. That's why my honourable friends have got an extra tough job to do in convincing any reasonable people in the entrepreneurial field that they really believe what they say. How far can they trust a socialist government in the Province of Manitoba, given the kind of disastrous record the Saunders Aircrafts, the King Choys, etc., etc., that we saw during the previous eight years? That

is the albatross that is around my honourable friend's neck, not put there by us or by the people of Manitoba, put there by themselves and that is the indictment my honourable friend has to answer and he has still yet to tell us where there was a resource giveaway as he alleged in his election document in the Alcan deal.

**HON. H. PAWLEY:** Mr. Chairman, we have already dealt with the question of the buy-back and the potential cost that would be to Manitobans.

You know, Mr. Chairman, I find that, indeed, the Leader of the Opposition must be living in an entirely different world, the world of Alice in Wonderland, from the world of reality. Certainly it's not the world that I have been experiencing and I think the Member for Pembina found out to his dismay, some six weeks ago, that when he attempted to present that kind of message that we've just heard from the Leader of the Opposition to the Manitoba Chambers of Commerce, he received a pretty sharp response from the audience because, Mr. Chairman, the Member for Pembina might have been somewhat surprised at the response that he received when he suggested to members of the Chamber of Commerce that they couldn't trust the present government in the Province of Manitoba. He might have been somewhat surprised that members of the Chamber of Commerce did not want to associate themselves with that kind of irresponsible effort to create distrust in the Province of Manitoba. And I'm told, for the information of the Member for Pembina, I've had reports from a number of the delegates that were present that expressed extreme disappointment and advised me how unfavourably the member's speech was to the Chamber of Commerce.

So I say to the Leader of the Opposition, Mr. Chairman —(Interjection)— any time, and we'll be quite delighted to match our record with any record when we've lived up to our mandate. We're in the process of living up to that mandate and, Mr. Chairman, despite the rather desperate efforts of the Leader of the Opposition to leave some sort of impression that there are all kinds of trouble and turmoil between this government and the business community, that is not the case. We will have our differences, there is no question. There will be differences from time to time just as, indeed, there were differences with the previous government with the business community from time to time. It was not this government that advised the business community that they were being placed on trial; it was the previous government of the Province of Manitoba.

My Minister of Energy and Mines, my Minister of Economic Development, myself and other Ministers have had very constructive and positive meetings with the business community in the Province of Manitoba, very positive and constructive meetings. There have been differences that have been expressed from time to time, but let me advise you, Mr. Chairman, that I've been pleasantly pleased with the spirit of trust and understanding that exists between various business groups and this government. Business groups and this government are doing all that we can to continue that sort of trust and relationship and I know that's what, indeed, the members across the way are most indignant about because they can't understand that kind of spirit that exists at the present time in Mani-

toba. They can't understand it and obviously it's creating some general frustration on the part of the members across the way, including the Leader of the Opposition.

Mr. Chairman, we're dealing with the question of Alcan; we're involved in discussions. It's been clearly indicated that we have our policy, Alcan has its policy that both the Government of Manitoba and Alcan have agreed to continue the discussions without preconditions and it is within that spirit that those . . .

**MR. DEPUTY CHAIRMAN:** Order please.

**HON. H. PAWLEY:** It is within that spirit, Mr. Chairman, that those discussions are taking place at the present time and —(Interjection)—

**MR. DEPUTY CHAIRMAN:** I believe the Member for Arthur has been using a word which has been ruled unparliamentary in the last few days in Committee.

**MR. J. DOWNEY:** Mr. Chairman, if you could point out on the record that is on Hansard' then I would withdraw.

**MR. DEPUTY CHAIRMAN:** It's not on the record but I believe it was clearly heard by the Chair. I would hope that the Member for Arthur would refrain from using that type of language.

**HON. H. PAWLEY:** Mr. Chairman, for the decorum of the House, I would hope that honourable members wouldn't stoop to that length, but the honourable members across the way have been digging their own political graves for some time prior to the election and since the election by the kind of statements that they seem to be prone to make. I don't know how that sort of practice got under way. It's not the Manitoba way and the Member for Sturgeon Creek is very very distant from understanding that. The Manitoba way is quite different than the kind of reference, the kind of remarks —(Interjection)— Mr. Chairman, if you noted, when the Leader of the Opposition was speaking, the government side remained silent. We listened to what the Leader of the Opposition had to say. We gave the Leader of the Opposition that kind of respect which, indeed, he deserved from members across this way.

Mr. Chairman, we are proceeding with the negotiations. We have removed preconditions and the discussions are taking place in a constructive fashion, but the Leader of the Opposition ought not to be leaving the impression which, in fairness to him, acknowledged that indeed proceeding would be delayed now. In fact, I believe this is the first time that he's made that clear that he's accepting the fact, regardless of outcome of the negotiations, the proceeding of construction of the smelter would be delayed because of the very acknowledgment in the report by Alcan, postponed because of current economic circumstances.

Mr. Chairman, reference was made to the negotiations with Quebec, with British Columbia and with Manitoba in the report. Mr. Chairman, I don't hear of Quebec or British Columbia signing the first agreement that's handed to those provincial jurisdictions. I've not heard of that. In fact, I suspect that British

Columbia under a Social Credit Government and the Quebec Government under Party Quebecois Government are negotiating firmly and fairly as, indeed, Alcan is negotiating firmly and fairly.

I don't see why, Mr. Chairman, the Leader of the Opposition keeps urging us to adopt any different standard insofar as Manitoba is concerned and that is what we will do. We will not bend from that path because, Mr. Chairman, there was a discussion and honourable members may not have enjoyed the outcome of that discussion, but there was considerable discussion as to the approach that Manitobans wanted to see their government proceed on insofar as negotiation and discussion with Alcan, with the Potash Corporation and with the Inter-Tie. We had that kind of discussion and Manitobans expressed their view as to the kind of discussion they wanted their government to carry on.

It's our view and we hold firmly to this view that we are reflecting, the view of Manitobans - negotiate, negotiate hard, negotiate fairly. If you're successful, we welcome such projects, but the negotiations must be on such a basis that the end result is satisfactory to the public interest of Manitobans and that is what we are doing, Mr. Chairman.

**HON. S. LYON:** Mr. Chairman, because my honourable friend apparently needs to be reminded of this, he's suggesting that somehow or other, we, on this side of the House, are importuning him and his government to negotiate in some way other than in a firm and fair way for the people of Manitoba. That is not the case; it's never been the case; it's not at issue in this discussion, even though my honourable friend likes to drag in, sort of debating red herrings, of this sort which do not bear upon and are not germane to the point.

The point, however, that rather amazed me was when the First Minister said that - he was talking about different standards of negotiations - we're not talking about different standards of negotiation at all. We want him to negotiate in a tough way and in a realistic way and in a reasonable way, uncluttered by some of the ideological baggage that he has to carry around because of his leadership of this rather peculiar party.

But let me say this, that there are different standards vis-a-vis Alcan dealing with British Columbia and dealing with Quebec and they're very, very different and the different standards that apply, Mr. Chairman, for the edification of the First Minister, are fundamental to Manitoba getting its first aluminum smelter. They are very simply these, that Alcan already has in place most of its smelting capacity in Canada in Quebec and in British Columbia and that in many ways it's easier for Alcan to go on with an expansion of their plant in Quebec than it is to put a new plant in Manitoba. I would have thought that such an elementary fact of life should have been apparent after six months to my honourable friends.

Now, we all get caught up from time to time in political rhetoric. I would have hoped it would have been obvious to my honourable friend, the First Minister, while he was still Leader of the Opposition and a pretender for the job. Now that he's in the job, he has no excuse for overlooking the fact that those are the tough negotiating conditions that exist for any Gov-

ernment of Manitoba. The tough job has already been done and was done by his predecessors. The tough job was to interest Alcan in coming here in the first place, because they have never located a plant other than on seaboard before. That's the tough job. That was done. Now that the pass has been thrown and the quarterback's caught it and it's been flipped over to another one carrying the ball, that one had better not drop the ball. That's what we're saying. He's got the goal in sight and there's nobody there to stop him from making a touchdown on this particular project. It looks as though he's fumbling the ball.

Mr. Chairman, I merely want to remind the Honourable First Minister that if he fumbles this ball, he's going to have a reputation in this province of some proportion with respect to the opportunity that was available to him and to his government when he came into office and how that opportunity was lost. I don't want that to happen. I want my honourable friend to have a rather more propitious chapter, albeit brief, in the history of Manitoba. I want that chapter of the history of Manitoba for the sake of Manitobans, I want it to reflect that in the course of this government, notwithstanding their hangups and all of the clutter and baggage that they have to carry around with them in this life, that they were able to negotiate successfully a deal with Alcan because that's of too much importance to the people of Manitoba to allow any narrow partisan hangups to interfere with it. It's too important that those hundreds and thousands of jobs that I was talking about, detailing a few moments ago, be available for young Manitobans so that we won't have to be worried about young people leaving the province seeking their future elsewhere because that future, that new dimension to Manitoba industrial smelting and manufacturing, will be something available for young Manitobans.

Let him read the brief, Mr. Chairman, as he's negotiating, in a tough way as we hope he will. Let him read the brief that came from the associated Chambers of Commerce in and around Teulon, Stonewall and the other areas in the Interlake.

If he wants really to hear what the people of Manitoba think, let him not be misguided by what he deems to be the mandate that he received during the election campaign. He didn't receive a mandate during the election campaign if I may be presumptuous; he didn't receive a mandate not to sign a deal with Alcan for the best interests of Manitoba, not by a long shot; he didn't receive that kind of a mandate at all. He received a mandate to come into office in Manitoba and to guide and to be the temporary trustee of the public interest.

The people of Manitoba are expecting the Alcan negotiation to be completed successfully. They, of course, don't want any giveaways and there aren't any giveaways implicit in those negotiations. There haven't been any, there aren't now, unless my honourable friends have added conditions that I am unaware of.

So, let's get on with it, uncluttered by this kind of baggage that my honourable friends carried with them into office. Let's get on with getting these thousands of jobs for the people of Manitoba when the time is ripe because if, through circumstances of the economy, it can't happen now, then let's make sure that if Alcan is negotiating with Quebec and with B.C.

where it's easier for them to settle in many ways, that we are able to overcome that kind of competition and have that plant located in Manitoba because we've got something here that is special. Let's not be dog in the manager about this plant. Let's realize its potential. Let's think of the future of Manitoba rather than resolutions passed by the New Democratic Party; rather than funny rhetorical statements made in "A Clear Choice For Manitobans." Yes, I say to my honourable friend, forget about that kind of nonsense. Forget about it. Get on with the job of getting industry into this province for the benefit of our people.

That's the mandate that my honourable friend has received. Not a mandate to dither. Not a mandate to say no, we won't negotiate for any partial ownership of Limestone even though that would mean, and my honourable friend perhaps wasn't there when the Comptroller of Hydro said it, that for anyone else to put up \$700 or \$800 million at the front for capital for Limestone would be of benefit to the ratepayers of Manitoba, not a disadvantage. How could it be a disadvantage?

So, I suggest to my honourable friend that he involve himself more in these major negotiations on the Inter-Tie, on Alcan and on the potash mine because therein lies a great part of the industrial thrust for the future. We hope fervently on this side of the House that the New Democratic Party Government will be able to bring one, two or three of these projects to fruition for the sake of the people of Manitoba. Let them now start filling out their mandate and serving the people of Manitoba instead of talking continually about resource giveaways and all of that kind of claptrap which may be alright during an election campaign but does precious little for the man or the woman in Stonewall who is out of work today and who saw within reach a job at a plant in the Interlake which now isn't available because of the policies of my honourable friends opposite.

**MR. DEPUTY CHAIRMAN:** The Member for Elmwood.

**MR. R. DOERN:** Mr. Chairman, I just wanted to make a few remarks. The Honourable Leader of the Opposition is putting a theory and a thesis and an argument that the hard part of selling comes in opening and I think that is, in fact, the easy part of selling. It's not the attraction of somebody's attention that is difficult, it's the negotiations and the closing of a deal which is difficult and I think that anybody who's ever been in the selling game knows that. —(Interjection)— Yes, I know you've been in the selling game, Frank, and I've been in the selling game too. The hard part is not introducing a deal; the hard part is closing or negotiating the deal, that is the hard part. So I'm glad that the nasty, brainless Member for Sturgeon Creek agrees with me on that particular point.

Mr. Chairman, if a person hangs out a sign saying, "Power for Sale, Cheap," there'll be all sorts of people who will answer the ad. There'll be all sorts of people who will phone and begin negotiations and I think that's basically what the previous government did. They attracted the attention of one or more major corporations with the promise of cheap power and now this government is confronted with the problem of trying to drive a hard bargain based on an easy

suggestion that power would be made available cheap.

I say to the Members of the Opposition that haste makes waste and fools rush in where wise men fear to tread. The fact that they started something doesn't mean that they did the hard part. The hard part is now. The hard part is looking at the promised terms and at the suggested prices that Manitobans are going to have to live with for the next 35 years, Mr. Chairman; that is the hard part of the bargain. The fact that they opened the deal, the fact that they drew somebody's attention, caught somebody's eye, is not the hard part of the bargain. It's the Minister of Energy that is doing the hard work now; it's not the previous Minister of Energy and it's not the previous Leader of the Opposition.

**MR. DEPUTY CHAIRMAN:** Order please. The hour is 4:30, Private Members' Hour. I'll be leaving the Chair until 8 o'clock.

## IN SESSION

### PRIVATE MEMBERS' HOUR

**MR. SPEAKER:** Order please. The hour is 4:30, Private Members' Hour. The first item on the agenda for Private Members' Hour today is Second Reading, Private Bills.

### SECOND READING - PRIVATE BILLS

#### BILL NO. 25 - THE WINNIPEG HUMANE SOCIETY FOUNDATION

**MR. G. FILMON** presented Bill No. 25, an Act to Incorporate The Winnipeg Humane Society Foundation, for Second Reading.

**MOTION presented.**

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

**MR. G. FILMON:** Thank you, Mr. Speaker. Essentially the purpose of this Bill is to create a charitable foundation to receive and administer charitable donations to further the work of the Winnipeg Humane Society for the Prevention of Cruelty to Animals.

The hope is that with the creation of this Foundation, this Foundation will be able to register as a recognized charity for tax purposes in order to issue official tax receipts to donors, thereby allowing tax deductible gifts to the Foundation and thus encouraging donations. The Winnipeg Humane Society has been active as a nonprofit organization since 1895 and was incorporated as The Winnipeg Humane Society for the Prevention of Cruelty to Animals in this province in 1968. The Winnipeg Humane Society is geared towards both community service and education directed toward the humane treatment of both domestic and wild animals. The services performed by The Winnipeg Humane Society include the pickup of abandoned animals and unwanted pets; the return of lost pets to owners; the provision of emergency veterinary service to animals involved in accidents; the supplying of pets through adoption services, investigation of complaints concerning animal welfare; pro-

vision of animal shelters for stray or unwanted animals; and the promotion of research concerning animal welfare.

In addition to the above services, The Winnipeg Humane Society provides public education in the form of publications and displays, seminars, etc. in order to inform the general public of issues related to animal welfare.

One of the Society's major concerns is the control of indiscriminate breeding of cats and dogs and to this end the Society promotes spaying and neutering in order to reduce the number of unwanted and abandoned animals. In seeking to create the Winnipeg Humane Society's Foundation by an Act of the Legislature, the Winnipeg Humane Society will seek to receive and hold, through the Foundation, charitable gifts, both the income and capital of which may be applied towards the various works of the Society, including, for example, such possible projects as the building of animal shelters or hospitals, publications and programs for public education, maintenance of staff and equipment for current pickup, shelter and investigative programs and the funding of scientific research.

The Act to Incorporate The Winnipeg Humane Society Foundation gives fairly broad powers to the Board of the Foundation to use the donations received to carry out the purposes of the Society by applying both the income and, where warranted for major projects, the capital of donations received toward the Society's purposes and services as outlined above.

I commend the Bill to the House on Second Reading.

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

**HON. R. PENNER:** Yes, Mr. Speaker, this side of the House supports the Bill and is ready to have it go to Second Reading and to Committee on Private Bills.

**QUESTION put, MOTION carried.**

#### RESOLUTION NO. 7 - TAXATION ON FUELS FOR FOOD PRODUCTION

**MR. SPEAKER:** The next item on the Private Members' Hour is Resolutions. Resolution No. 7 on the proposed resolution of the Honourable Member for Pembina as amended by the Honourable Member for River East.

The Honourable Member for Morris.

**MR. C. MANNES:** Thank you, Mr. Speaker. It's an honour to be able to stand before the Member for Arthur. It doesn't happen very often.

Mr. Speaker, I would like to speak against the amended motion that came forth from the Member for River East and I'd like to begin again, since it's been some time since we've had the opportunity to debate this particular Resolution. I'd like to review in quick order some of the things that the Member for Pembina said and disclosed when, in fact, he introduced this Resolution.

He said these things and I will put them into point form if I can and I quote, "The current federal taxation" and we're talking again about the taxation on farm fuels" accounts for about 40 percent of the price

of purple diesel and gasoline." He also went on to say, "Ottawa taxes purple diesel a total of 53 cents a gallon and purple gasoline a total of 60 cents per gallon." And from that point he went on to indicate that, in fact, over the Province of Manitoba the federal tax represented to the Province of Manitoba and the farmers therein some \$62 million or \$2,100 per farm and these are figures I'd like to dwell on in some further detail a little later on.

He also said these taxes are increasing and represent sizable costs per acre to farmers. The federal tax alone is near \$4.00 per acre of diesel and gasoline burned to produce an acre of wheat or rapeseed. It is substantially higher for special crops, such as corn, potatoes and vegetable crops and if the member is in the Chamber, I can remember the comments made by the Member for Pembina. He went on to build a case around many of those areas and I think one other area that he drew attention to was the federal tax on anhydrous ammonia matching some \$24 per ton. That's where the Member for Pembina brought forward his resolution and left it and I think that's where members, certainly from this side, were prepared to support and endorse that particular resolution. However, the Member for River East thought that, in fact, an amendment should come forward and he so amended it and I will speak to that in a few minutes.

I'd like to make one other brief comment, however, about why in fact our side at this time has brought forward this resolution so as the members opposite don't feel for one minute that it's a unique attempt or singular attempt on our part to bring forward this particular type of resolution. I would want them to know that there is an effort through a large part of Western Canada to attempt to make this and to focus this particular problem to those in power in Ottawa. As a matter of fact, I can tell you that PC members federally are also addressing this very issue and to the degree that it is my understanding that on April 5th in the House of Commons in Ottawa that our former Minister, one Don Mazankowski, was given an indication by the Minister of Finance, Mr. MacEachen, that in fact he would consider such a change; consider a change in dropping the federal taxes on farm fuels but it would require continued pressure to get that action and that was an admission from the Federal Minister of Finance.

So, I think that the resolution brought forward by the Member for Pembina is just an attempt to do that.

It's just an attempt to have all members of this particular House realize that in fact there is a real problem and asking us in one single voice, if we can, to add impetus to the efforts by other people in Ottawa to in fact have this particular tax removed, so that's exactly what we're trying to do. I don't think there's anything sinister about it and I would hope that the members opposite now, when they understand that, could feel free to vote against the amendment brought forward by their own backbencher, the Member for River East, who I do not really believe understands fully the situation and the members opposite would, in fact, support us in this whole area.

One other further comment as it relates to the proposal made by our Conservative MPs in Ottawa and I think they went on to say, and I think it was supported by the government too, that the Federal Government

wants to increase our exports of food, but to do that we must be cost competitive which means lower input costs. A reduction of fuel prices would be a big step towards that goal and although the Member for River East, and again I hope he doesn't speak on behalf of the government, indicates that in fact fuel is a very insignificant part of the cost of farming these days and I really question where he found his information to be able to make that type of a comment. Possibly he went to the Member for Springfield or the Member for St. James who, I guess, are not too far removed from that area, and maybe they gave him some of their costing. I can tell you that in fact fuel is a significant of the cost of farming.

So, with those lead-in comments, I would like to dwell then specifically on some of the comments that were made by the Member for River East in an attempt to convince those members opposite who may be listening that, in fact, many of the things that he did say were not accurate and therefore that his whole argument maybe should be refuted.

One of the matters that was brought forward by the particular member was that, in fact, and I quote out of Hansard, he says:

"I think this," and when he says this he is referring specifically to the resolution requesting a drop in the federal tax on farm fuels, "would impinge on the revenue generating capacity of the province if we had some sort of resolution which asks for a reduction in sales tax or any other tax on a product which we currently tax on an ad valorem basis."

I think he was trying to make the claim that in fact our province would suffer if an Ottawa tax was removed from farm fuels. Although he seems to indicate he realizes fully well, further up in his argument, that indeed there is no provincial tax at this point in time on farm fuels, he seems to totally contradict that with that statement.

So I say to that member and to the members opposite if you realize, and hopefully you do realize, that there is no provincial tax on farm fuels and hopefully there never will be one, then how can you not want to support a resolution asking Ottawa to do the same. I can't see where you can possibly justify taking a different stance saying, well, it's okay if our provincial taxes do not need to be raised on farm fuels here in this province, but it's okay if, in fact, it is done in Ottawa. So that's one inconsistency I hope that the members opposite can, in fact, address and in their own minds resolve.

Secondly, the member says, well, food's okay, maybe we should possibly consider relenting taxation on farm fuels that are devoted towards the production of food but not in those areas where it's directed towards the production of things like flax and malting barley, and I think he says flax for linseed oil and flax for flaxstraw and a number of other areas.

Again, the member fully points out the fact that he has no farm understanding whatsoever, because indeed when I sit down and I decide what to grow I consider it on the basis of an enterprise. I make the decision on what will return me the greatest revenue for the year forward and I don't differentiate between one crop or another on the basis of whether it's food or non-food. It actually is all food to my way of thinking.

Further on he makes the comment that the Cana-

dian Federation of Agriculture has estimated that an increase of \$1 a barrel in the domestic price will increase the average cost to a farmer of \$350 per year and I accept that. I haven't seen that particular reference, but I do accept that. If one accepts that and you realize that over the last couple of years how the price domestically in this country has increased as to the cost of a barrel of oil, one readily sees how the economic impact on the farm has been very significant over the last five-years particularly. When the member says \$350 a year corresponds to a \$1 increase per barrel, and I think the Member for Pembina indicated that indeed, last year the energy tax on all farm-fuel-related items represented some \$2,100 a farm, when you put those two numbers into perspective, I really wonder where the members opposite are coming from when they argue all these various farm programs; when they argue things like Crow rate issues and they drive back to us, "Well, if you change the Crow, that could represent a loss to you of \$1,000 a farm," but yet when the Member for Pembina shows them and points out that it's a \$2,100 farm cost right now, the members opposite attempt to ignore it.

A fourth item, Mr. Speaker, the member in his amended resolution indicates that he is prepared to review immediately the federal sales tax. He says that possibly we should consider rebating sales tax as we do excise tax at this particular time. I wonder, again, how that falls into a consistent argument whereby he seems to be saying, it's okay, it's the Provincial Minister, if he exempts farm fuels from taxation. On the other hand he says, well, maybe we can give or we can impose or we can pressure Ottawa to just relax somewhat their take on farm fuels.

Again, it's always review. I guess I'm becoming somewhat skeptical because I haven't seen really any motion that has come forward from the members opposite; I've not seen any operative statement in any resolution that's come forth from the members opposite that has not included in it the word "review." As someone who's an analyst at times and who understands reviewing at times, I think it's too conveniently the easy way out to always want to review and I'm becoming very suspect of any resolution, amended or otherwise, that always draws reference to the word "review." I see it almost in everything that comes forward and almost every answer that I hear from the Treasury Bench.

Mr. Speaker, I don't think I will say anything more to this particular resolution other than to say that hopefully the members opposite will see that, in fact, what we're asking for is not out of line. It has the general, broad support of all Western Canada and they, in their wisdom, will indeed not support their member's amended resolution and will see fit to support the resolution as it was put forward by the Member for Pembina.

Thank you.

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

**MR. J. DOWNEY:** Mr. Speaker, in rising to speak on this resolution, I want to, first of all, compliment the Member for Pembina for bringing this particular issue to the Legislative Assembly and to the public, and I want to further say that I am somewhat disappointed

in the amendment that was brought forward by a member of the government backbench, which I would almost think tries to undermine or take away the significance or the importance of this particular resolution as it relates to everyone that he represents in his constituency, the people of Manitoba, who are so heavily dependent upon the No. 1 industry in Manitoba to produce the kinds of foods and fibres and the kinds of job opportunities and employment that agriculture promotes and makes available for the people of Manitoba.

Mr. Speaker, what we're really talking about in the proposed resolution is dealing with the world's No. 1 form of energy and that, of course, is food. Without the food that is produced by the farm community, then all the housing and the shelter and the rest of what we all feel is important wouldn't be so important. So, the importance of this particular resolution is really going to be the key of what I try to do today, is to point out why the amendment has tried to downplay the particular point that my colleague from Pembina is trying to make. I think, Mr. Speaker, to be straightforward and blunt with you, or through you to the government, is that they really don't give a darn about the farm community, Mr. Speaker. That's really the message that I have received from the amendment that was prepared by the member on the government side of the House.

Mr. Speaker, that has to be one of the biggest problems that this country has faced for a long time, are people who don't appreciate the significance or the importance of those people who are basic producers of food and fibre in this country. The Member for Pembina, in his discussion with me prior to the introduction of this resolution - of course, I don't feel badly that we, as a government, when in office and I, as the Minister of Agriculture put forward the same concept or the same principle to the Federal Minister of Agriculture - yes, Mr. Speaker, during a meeting on urgent federal-provincial concerns last May, I believe it was, when we were looking at high interest rates, high energy costs and all those things that were creating difficulties for the farm community, we laid before the Federal Government, a proposal to at least remove the cost of buying PetroCan and Petrofina. That was the request that we had put forward because I don't believe that it was in the best interests of the farm community and the farm people to have to be forced to buy an oil company that's going to pour gas and oil on the street or pour it for the people who are every day consumers. I believe, Mr. Speaker, that the system that was in place had the ability to provide the needed energy sources or supplies that were presently being used in today's society.

All that the PetroCan and Petrofina, in my estimation, were doing was adding an over amount of taxation burden, unwillingly or unacceptable, and certainly the people have no choice whether to pay for it or not through the gas pumps. That was one of the requests and I'm pleased that I'm able to stand here and say that there was some request put forward; not successful, Mr. Speaker, but at least we were on the same theme as what the Member for Pembina has put forward.

Mr. Speaker, I think it's very evident how the people of Saskatchewan felt recently when we see the election of a Premier of a province who was very strong on

this point, not only for the farm community, but he felt strongly enough about it to remove the provincial tax off the gases and the oils that the every day consumer was purchasing from the gas pumps. A real major election, I would say, was won on this very principle, that the people felt very strongly that they shouldn't be burdened with taxes on gas and oil. Mr. Speaker, it further points out in the Province of Alberta where they have a special program, a rebate program, where we know there isn't any gasoline tax on either farmers or general consumers in Alberta, but to further support the farm community, there is a rebate system on farm fuel, a transportation rebate. I believe, Mr. Speaker, it adds up to something like \$1,200 per farmer that they get as a tax rebate from the Provincial Government.

Again, Mr. Speaker, a move in the direction of supporting everyday citizens through the removal of taxation. But, Mr. Speaker, what do we see this government doing? We see this government believing in the very opposite that the everyday person has to be taxed excessively with a 1.5 percent payroll tax with elimination or a limit on the top of gasohol that has been produced in this province, the first in Canada. No, Mr. Speaker, we don't have a government who is sympathetic to the farmers; we don't have a government that is sympathetic to the business community. We don't have a government that is sympathetic to the consumers or anyone else, Mr. Speaker, and they're proving it daily and in the amendment that was introduced by the Member for River East. It further proves that this government believes in increasing taxes and not the removal of taxes. So how could we expect them to support the resolution that was put forward by my colleague for Pembina?

In fact, Mr. Speaker, what they have done has shown again their total and complete misunderstanding of what takes place outside the Perimeter Highway. You know, Mr. Speaker, when we look at such figures as this, that 60 cents per gallon is tax on our gasoline and 53 cents per gallon on diesel fuel. Well, do they realize how dependent the farm community is on farm diesel fuel and gasoline? It's a mobile fuel. The fields have to be worked, planted and harvested, Mr. Speaker. They're captive of that particular kind of energy; they have no choice. I have nothing against, Mr. Speaker, the government of the day, provincial or federal, taxing for leisurely needs. You know, I'm sympathetic to businesses, not only farmers who are captive of that kind of a fuel. Mr. Speaker, I think that the whole policy of taxing of the essential fuels that it takes to make one's daily living has to be seriously considered.

I think, Mr. Speaker, the question that has been raised with the amendment, the review of that particular policy, is probably worthwhile when it's to be considered in the overall. But I'm speaking specifically today when it comes to the everyday needs of people for food, Mr. Speaker. If you have the kind of taxation policies carried on by Federal and Provincial Governments, but we're dealing specifically now with the federal tax, then with the increased costs of inflation, with the increased costs of interest, Mr. Speaker, and with the major costs today, the increase in this fuel that we're seeing taking place, you will literally see people be put out of business. The message that

the members opposite should be well aware of that when you do that, you erode the No. 1 industry and the backbone industry of this country.

Mr. Speaker, I will reiterate and I will tell the story again. Several weeks ago, when I had the opportunity to take part in a Legislative Exchange Program, which at the particular time you were not in the Chair and I want to thank you for the opportunity of putting my name forward - if you did and I understood that you did - to participate in that particular excursion, to look at the movement of grain through the St. Lawrence Seaway. Mr. Speaker, I want to point this fact out again that, if it wasn't for the prairie grains moving through the St. Lawrence Seaway system, through the Welland Canal and out to the markets of the international world, this country would be doing nothing. We would be doing nothing. Those boats, those ships that were coming up for that particular grain at Thunder Bay were coming up empty where normally, Mr. Speaker, they would be bringing in iron ore to be processed and made into iron and steel in the factories in Central Canada. In fact, that's one of their major payloads is the iron ore coming in but, Mr. Speaker, none of that is taking place. You ask any ship owner, you ask any particular person who worked on the Seaway what, in fact, they were doing and they're saying, "We're hauling grain; that's all there is to haul." So the members opposite have to appreciate the importance of that particular commodity.

Well, it's been pointed out very capably by the Member for Pembina just how much it does impose on a farmer who is producing a crop. I believe it's something like \$5 an acre when we look at the addition of the natural gas tax on fertilizer. The cost of fertilizer today has excelled to some points where people are making the decision, when they have to borrow money at high cost, not to buy it. Whereas, if that tax was taken off, Mr. Speaker, I don't think they'd hesitate. I think they would go ahead and produce and buy the fertilizers that they need and put in the inputs that are necessary. But, Mr. Speaker, they aren't able to do that, not strictly because of the cost of it but because the increased taxation that they're being forced to pay. Mr. Speaker, I would have to say that the moves that the government is making on the other side of the House really don't believe in removing taxation. They've proven that very much in every step of the way. They believe, Mr. Speaker, that we should have more taxation on those kinds of things that people need, like the inputs on payroll tax. Really, that's taxing food in another way.

So we can't expect support, I'm sure, for the kind of thing that we're asking for on the removal of the federal tax from farm used fuels. You know, my colleague, the Member for Morris, pointed out very well that the Federal Members of Parliament have made this an issue in Ottawa; that we have now seen the comments that have come from the Federal Member, Don Mazankowski, who has made a comment that the Federal Minister of Finance would consider that particular move of removal of some of the tax or the federal tax on farm fuel, but it would require more pressure. Well, Mr. Speaker, maybe the government won't support the resolution of my colleague, the Member for Pembina; maybe the government won't. The Member for River East didn't with his amendment

to try and erode it and make it a worthless proposition. But let me tell you, Mr. Speaker, that the farm community will support the resolution. They'll support it 100 percent. I would hope that all members on the other side who have any contact with the farm community would go out to those communities and say that I voted against putting pressure on the Federal Government to remove the federal sales tax on your gas and oil.

The Member for Ste. Rose, I challenge him to hang a sign in the front of his office that he voted against removal of the high-price taxes of the Federal Government on his constituents. I challenge him to do that. He voted against that, Mr. Speaker. Well, he's laughing about it because what are the major costs that a farmer is facing today when he's putting in his crop? It's fuel, Mr. Speaker. Out of every gallon of gas or diesel fuel that he's buying, it costs him 60 cents a gallon in operating of a government that gives him the kinds of things that he doesn't want to start with. The Federal Government is giving him a lot of things that he doesn't want to start with and I'll name you one and that's metric. He's paying probably 60 cents a gallon to get metric that he can't understand. As my colleague for Lakeside said, probably to burn the crops because he doesn't understand the calibration. That's the kind of foolishness we're seeing coming from this government opposite and the kind of government that's in Ottawa; charges taxation on fuel to do the silly things that nobody needs to start with, it's a waste of hard-earned money. People that are working 12 to 24 hours a day, Mr. Speaker, to produce the food and yet we've got the Member for Ste. Rose sitting there, won't stand up and defend his member's amendment to the resolution. He wouldn't support my colleague, the Member for Pembina, and the removal of federal tax on farm fuels.

All those members opposite, why aren't they speaking out? It's not only the farmers, it's the consumers. Why aren't you speaking out to protect the consumers in this province? That's who you're against, you're not supporting them because it's a direct reflection to the consumer who's buying our fuel. It puts us at a disadvantage when we're going to the International Grain Market. As I said, if we weren't selling our grain internationally, this country would even be in a worse depression than it is. It's to give the farmer an advantage so that everyone has an advantage, but you can't understand that, I'm sure. It's too bad you can't, because if we don't correct the problem, there'll be nobody left in Western Canada to produce that kind of food and that kind of export commodity that we need so badly to generate the dollars to buy the things that this country needs.

So I plead with the government, Mr. Speaker, I would hope that the Minister of Agriculture would put his position on the record. I would hope the Minister of Agriculture, who is supposed to represent some 30,000 farmers in the Province of Manitoba, why doesn't he stand up and clearly state what his position is? No, Mr. Speaker, he is too busy doing what? He is trying to impose his philosophical beliefs on the farm community to impose a state-marketing system to turn the whole world upside down on them so that they don't know what they're doing. He's letting on that he's trying to help them with an Interest Rate

Relief Program, Mr. Speaker, that 102 farmers have had some support on.

Mr. Speaker, the Minister of Agriculture has a chance to stand up in this House and say, I support the Member for Pembina's resolution and I don't support my colleague, the Member for River East, because he doesn't know what he's talking about. We'll remove a big cost of doing business for you through pressuring the Federal Government to remove a tax that is an unfair tax on the producers of food.

Mr. Speaker, what I'm recommending, I know my time that I have left is very limited in this speech that I have to give, but I am going to suggest that if this government wants to show in one small way some support for the farm community; some support for the consumers and the business community in this province, that they join with my colleague and I'm going to recommend this to my colleague for Pembina that we head up a delegation of legislators from the Province of Manitoba. We head up a legislative group; we ask for the leaders of the farm community to join with us to go to Ottawa to lay before the Federal Minister of Finance and the Federal Minister of Agriculture the very proposal that this member has put forward in a resolution.

What I have heard, Mr. Speaker, is that he is willing to accept pressure. That's really what he's asking for and I would hope, Mr. Speaker, rather than the negative approach that this government has taken to bash the feds. They bring in the Crow rate resolution which says, we're going to try and save money on transportation costs for the farmers; that's commendable. We don't want to pay more money for transportation, but we don't want to pay more money for foolish taxation on it either and that, Mr. Speaker, is where they could stand up and help us. They spent how many thousands of dollars going throughout the province to put on the Crow road show; they got less than a handful of people.

I would recommend, Mr. Speaker, if the Minister of Agriculture, the Minister of Transportation or maybe the Premier would make a recommendation that this Legislative Assembly pay for any member that wants to go or help for the cost of going, or the farm community, Mr. Speaker, to lay the case right before the Minister of Agriculture, right before the Minister of Finance in Ottawa. Well, Mr. Speaker, it would appear that by the way this government is operating, it really doesn't care about the little people, as indicated in what the Premier has said in question period today, in answering my colleague for Roblin-Russell, in regard to helping those small communities in rural Manitoba for their centennial celebrations. Well, Mr. Speaker, I wouldn't even ask for any money to go; I'll pay for my way and I'm sure every rural member here would. I would hope that each member of the government side would do the same thing and join a group to go to Ottawa, Mr. Speaker, and lay before the Federal Minister of Agriculture and tell him that one of the ways that they could help the farm community would be to remove the federal sales tax, excise tax, all the taxes on farm fuels and the gas that goes into the nitrogen and all the propane.

Then, Mr. Speaker, I think they would be doing something that is productive. It would be the first productive thing that we've seen come from the Minis-

ter of Agriculture on the government side so far. I hope they would give serious consideration because it would hold a lot of, I think, credibility if legislators made that kind of a move. So I'm going to suggest, Mr. Speaker, to my colleague, the Member for Pembina, that he organize such a trip to go to Ottawa to lay before the Federal Minister of Finance, the Minister of Agriculture, the very point that he makes in his resolution. We cannot support the Member for River East and I would hope that they would see fit to withdraw that amendment and go back to the original resolution.

Thank you, Mr. Speaker.

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

**HON. L. EVANS:** Thank you, Mr. Speaker. I hadn't intended to participate in the debate, but after listening to the Member for Arthur, I felt some obligation to share some of my thoughts on the matter with the honourable member.

I would first suggest that a lot of what we heard from the honourable member was in the form of motherhood. He's saying that he wants to help the farmers, but we're against motherhood. We don't want to help the farmers. Well, Mr. Speaker, nothing could be further from the truth. We all recognize that farming is a very vital industry in Manitoba. We don't disagree with the Member for Arthur when he says it's the backbone of the economy and so on. There's no question it's an important industry; it's not the only industry. With all due respect, we have a rather significant mining industry, Mr. Speaker, and certainly, we have to recognize that we have probably the most sophisticated manufacturing industry of the three prairie provinces and certainly, we have a very major industry in the area of financial institutions. You can look at the breakdown of the industrial output, industry by industry, category by category, and you'll see that there are indeed other industries as well. But be that as it may, I don't want to in any way take away from the significance of agriculture because certainly, if anything, we probably have a comparative advantage in the agricultural industry that we don't often find in manufacturing and indeed some other kinds of industries that we have. I, for one, and members on this side certainly do want to ensure that farmers get a break; that farmers are able to carry on in a productive way; that farmers can survive; that the farm family can grow and thrive and prosper in the Province of Manitoba. We all want to see that.

I think the real issue is whether what is being proposed by the resolution here by the Member for Pembina, I guess, is going to be that significant in the totality of things, and whether what is being proposed is reasonable in the light of the existing tax structure that we have in place by the Federal Government. As I understand it now there is an existing eligibility on the part of the Federal Government with respect to farm fuel taxes. There's a rebate system in place where farmers can apply for a rebate of 1.5 cents per litre, both on gasoline and diesel. —(Interjection)— I stand to be corrected but this is the information I have. There are two refinery gate exit taxes at present. The federal excise tax is on gasoline and diesel fuel only. I understand that it's on both. If you take gasoline

alone, the eligibility for rebate is \$3.3 million. As I understand it, what is being proposed by my colleague, the Member for River East, is that, and I don't have the amendment in front of me, is a 2.7 percent litre sales tax relief, which would amount to an additional \$13.7 million worth of rebate for the farm community.

We're not suggesting that we don't help the farmers in Manitoba but we want to be realistic. Furthermore, as I understand it, we're not dismissing further assistance to the farm community, we're suggesting that there should be additional study, let's take a more sophisticated approach to this. Even if you took the 2.7 percent sales tax rebate as suggested by my colleague, the Member for River East, it amounts to, on an acreage basis, it's still rather insignificant and let's recognize it, insignificant inasmuch as it will be a saving of \$1.37 per acre per year. —(Interjection)— We're talking about two different things. We're talking about the sales tax only.

When you look at the production costs, this is an article out of the Free Press on May 1st of 1982, you'll see the breakdown, the crop production costs for five major crops; wheat, barley, rapeseed, flax seed and rye. They don't even itemize energy here as one item. I'll just read them for you: "Operating Costs: —(Interjection)— I just assumed that the figures being reported are taken from official documents. If you look at the breakdown of operating costs, they refer to seed, Mr. Speaker; they refer to fertilizer. This is 1982 dollars per acre. Seed - this is for wheat - seed is \$10.50; fertilizer, there's two kinds, one is \$16.80 and the other is \$9.60; chemical and seed treatment, \$16.55; machinery operating costs, \$15.00. —(Interjection)— In that you can't just say that is energy, that includes others. Is the member suggesting that the total energy cost of farming an acre of wheat is \$12 an acre? I don't know where he gets his information. The only breakdown I have here is machinery operating costs and it says \$15.00. Crop insurance is \$1.96; miscellaneous \$5.00; interest on operating \$6.79; for a total operating cost of \$82.20.

On top of that you have your fixed costs which are very substantial. Land investment costs, \$42; machinery depreciation, \$14; machinery investment cost, \$12.60; grain storage fixed costs, \$4.55; labour and management, \$16.00. So, your total fixed costs are \$89.15, which is much higher than your total operating costs of \$82.20; for a total cost of \$171.35.

What I'm suggesting, Mr. Speaker, without going into all the nitty gritty of the calculations, that, first of all, and I think it's been suggested by my colleagues, to try to get at all these taxes that the members refer to in a rather sweeping way in the resolution is simply not feasible. You're going right back to the wellhead, which reminds me of what their National Leader, Joe Clark, was going to do and I'd like to remind them of the Clark Policy which was really to sock it to the consumers of all kinds of energy products in a very meaningful way. —(Interjection)— I haven't got the figures with me but the point is that was still going to be a levy on the consumers of those products in Canada. —(Interjection)— Well, that's the fact.

Mr. Speaker, what we're suggesting therefore is that we're taking a reasonable approach. We want to help the farmers. At the same time we've got to recognize

that some of the requests being made in the resolution submitted to our friends opposite are just simply beyond the realm of feasibility. The point I'm making by referring to these figures, Mr. Speaker, is that there are, if you look at some of the fixed costs and the operating costs, there are other ways we should be helping farmers and trying to help farmers. I don't know exactly how we can do it, but I don't hear too much advice coming from members opposite. What about the high cost of land? What can we do to help farmers obtain land at a reasonable price? What can we do to help farmers obtain machinery at more reasonable costs? —(Interjection)— The machinery, with all respect, Mr. Speaker, agricultural machinery is produced anywhere. It can be produced in Canada; it can be produced in the United States; it's free trade in agricultural implements and agricultural equipment. In all respect, I would suggest that the price of machinery is set with due regard to that North American competition that you have in the farm implement business. The unfortunate part is, of course, we have to recognize that in secondary industry, when you get into the manufacturing of machinery, you're in a type of industry that seems to be able to hold its prices and indeed command higher prices, whereas the poor farmer, you know, in a day and age of major recession or depression, you can see some softening, but the usual, you take an historical pattern, take the last 25 years and see what's happened to the price of machinery and implements of all kinds for the farmers of this province or North America or the world. It's gone in one direction, it usually goes in one direction and that direction is up.

At the same time, farmers have to sell their products, well certainly the grain products on relatively free markets, relatively free even with the Wheat Board. We know that the Wheat Board can only pay what the world market will eventually pay us. So ultimately we're dependent on international prices that we can command for the various products that we happen to grow here. Unfortunately, we have very little control over that, whereas the farm machinery producers certainly seem to have been able to hold up their prices and indeed to get ever increasing amounts for that given equipment.

So the farmer seems to be squeezed, the so-called old cost-price squeeze. So, we're sympathetic to that, and we're saying that —(Interjection)— Mr. Speaker, but we have to recognize that there are these other factors; the cost of land; the cost of machinery, and something that the honourable members across have differences of views with us on and that is the entire question of rail transport costs. Surely, that is a factor that we must consider. —(Interjection)— Well, we are being consistent. As long as I have looked at this question and as long as I have, I guess, been a Member of this Assembly, we have taken a position with regard to the cost of transportation of grain products over the rail system, whether it be addressing ourselves to the Crow question or whether it be addressing ourselves to another very important aspect of it; namely, the branch line situation.

Mr. Speaker, I can tell you that for some years we worked very actively with the Federal Government. —(Interjection)— Oh yes. Well, the records are there, you can go and look at the records at any time. We

worked very, very hard to attempt to maintain a viable branch line network on the prairie region. The records are there, the record stands. I think we had one meeting on the subject with the Federal Minister - I'm talking about the Prairie Ministers of Agriculture, the Prairie Ministers of Transport or Transportation Policy and the federal counterpart, whether it be Otto Lang or his predecessor, the Honourable Jean Marchand. If we had one meeting, we had a dozen meetings, Mr. Speaker, on the question of the adequacy of the branch line system in the prairie region.

I might say that we had the support ultimately of Chief Justice Emmett Hall, because he too was very, very concerned with what could happen if the railways had their way in virtually decimating the prairie branch line system as we knew it. So, I'm saying there's another factor.

The Honourable Member when he talks about the cost of metric, you know, is really bringing up a red herring because the records will show that their Minister responsible for Metrification if you will, the Member for Sturgeon Creek, was just as active as any other Minister in promoting metric information in the Province of Manitoba. It, too, is on the record that the former Minister of Economic Development had staff, was prepared to put further funds to aid and abet. In fact, it's in the Annual Report and I recall three months ago reading that part of the Annual Report. —(Interjection)— Well, we'll read the Annual Report. I wish I had it with me. The Member for Pembina doesn't want to hear it, but nevertheless, Mr. Speaker, I wish we had it because he doesn't want to hear it, but I can say that his colleague, the former Minister of Economic Development, did indeed promote the dissemination of metric information and I say therefore when they talk about their concerns about metric, those concerns to me ring rather hollow. When they were in office, they did - we admit it's federal jurisdiction but the Federal Government is asking for provincial co-operation and indeed it received that co-operation from the members opposite when they were in government, and that's a fact. If they didn't receive that co-operation, I'd like the honourable members to show that, because the information we have is that the previous Conservative Government of Manitoba did indeed co-operate with the Federal Government in the dissemination of metric information.

The other item, of course, which is all pervasive and has had a very dampening impact on the entire economy, let alone the farm economy, is the intolerably high rate of interest that we're all suffering under today. Well, yes, it's an excellent subject. The point is, Mr. Speaker, if the members opposite would support us in our efforts to try to dissuade the Federal Government from its current high-interest, tight-money policy that is now being followed by the Bank of Canada, which is responsible to the Government of Canada, I think that would be a far more meaningful exercise than to be concerned about another \$2 or \$3 million or several million dollars here or there that would be the effect of this particular resolution. I say, what the member wants to do, the Member for Pembina would like to do in this resolution, pales into insignificance when you compare it with some relief that should be forthcoming on interest rates. If we could bring down —(Interjection)— Well, is the

Member for Fort Garry suggesting that it's not realistic to bring down interest rates?

**MR. L. SHERMAN:** I'm suggesting it's not realistic to expect Canada to do it by itself.

**HON. L. EVANS:** Well, it is very realistic. It's as realistic for this Chamber to pass a resolution to urge the Federal Government to follow a sane lower interest rate policy as it is to pass this resolution, or indeed many of the other resolutions that we pass urging the Federal Government to do this or to do that.

I say that it's far more critical that we unite in this Chamber and ask the Federal Government of Canada and the Bank of Canada to pursue a rate of interest that is going to allow farmers to be able to afford farm machinery, enable them to afford other kinds of credit that they need for their operations and indeed to enable small business, to enable large business, to enable the entire economy to get back on the rails and start producing goods and services. This, Mr. Speaker, is the tragedy of the 1980's. The tragedy of the 1980s is the unrealistic high interest-rate policy which has virtually slowed the economy in North America down to a snail's pace and indeed is having negative impacts on Europe and indeed the European leaders, the western European leaders, who share trade with us have expressed that concern only recently to Reagan. I suggest that is far more significant than what is being proposed here. So, Mr. Speaker, we want to say that . . .

**MR. SPEAKER:** Order please. The time for Private Members' Hour having expired, when we next reach this Resolution, the Honourable Minister will have two minutes remaining. The Chair will accept the motion for adjournment.

The Honourable Member for Springfield.

**MR. A. ANSTETT:** Mr. Speaker, before we adjourn the House, I wanted to advise members that we will continue in Committee of Supply this evening on the Executive Council Estimates at 8:00 p.m. and also, Mr. Speaker, I'd like to give notice of several Committee meetings for next week to deal with the Residential Rent Regulation Act, Bill No. 2. These have been discussed with the Opposition in terms of scheduling.

What we're proposing is that Monday and Tuesday at both 10:00 a.m. and 8:00 p.m., the Standing Committee on Statutory Regulations and Orders will both hold public hearings and if time permits clause-by-clause discussion on Bill No. 2.

It's also proposed that in those two evenings then the House would not sit, next Monday and Tuesday evening.

So, Mr. Speaker, if there are no questions about that order of business, I would move, seconded by the Minister of Municipal Affairs, that the House do now adjourn.

**MOTION presented and carried** and the House adjourned and stands adjourned until 2:00 p.m. tomorrow. (Wednesday)