



**Second Session — Thirty-Second Legislature**  
of the  
**Legislative Assembly of Manitoba**  
**DEBATES**  
and  
**PROCEEDINGS**

31-32 Elizabeth II

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Speaker*



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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Second Legislature**

**Members, Constituencies and Political Affiliation**

Name	Constituency	Party
<b>ADAM, Hon. A.R. (Pete)</b>	Ste. Rose	NDP
<b>ANSTETT, Andy</b>	Springfield	NDP
<b>ASHTON, Steve</b>	Thompson	NDP
<b>BANMAN, Robert (Bob)</b>	La Verendrye	PC
<b>BLAKE, David R. (Dave)</b>	Minnedosa	PC
<b>BROWN, Arnold</b>	Rhineland	PC
<b>BUCKLASCHUK, John M.</b>	Gimli	NDP
<b>CARROLL, Q.C., Henry N.</b>	Brandon West	IND
<b>CORRIN, Brian</b>	Ellice	NDP
<b>COWAN, Hon. Jay</b>	Churchill	NDP
<b>DESJARDINS, Hon. Laurent</b>	St. Boniface	NDP
<b>DODICK, Doreen</b>	Riel	NDP
<b>DOERN, Russell</b>	Elmwood	NDP
<b>DOLIN, Mary Beth</b>	Kildonan	NDP
<b>DOWNEY, James E.</b>	Arthur	PC
<b>DRIEDGER, Albert</b>	Emerson	PC
<b>ENNS, Harry</b>	Lakeside	PC
<b>EVANS, Hon. Leonard S.</b>	Brandon East	NDP
<b>EYLER, Phil</b>	River East	NDP
<b>FILMON, Gary</b>	Tuxedo	PC
<b>FOX, Peter</b>	Concordia	NDP
<b>GOURLAY, D.M. (Doug)</b>	Swan River	PC
<b>GRAHAM, Harry</b>	Virden	PC
<b>HAMMOND, Gerrie</b>	Kirkfield Park	PC
<b>HARAPIAK, Harry M.</b>	The Pas	NDP
<b>HARPER, Elijah</b>	Rupertsland	NDP
<b>HEMPHILL, Hon. Maureen</b>	Logan	NDP
<b>HYDE, Lloyd</b>	Portage la Prairie	PC
<b>JOHNSTON, J. Frank</b>	Sturgeon Creek	PC
<b>KOSTYRA, Hon. Eugene</b>	Seven Oaks	NDP
<b>KOVNATS, Abe</b>	Niakwa	PC
<b>LECUYER, Gérard</b>	Radisson	NDP
<b>LYON, Q.C., Hon. Sterling</b>	Charleswood	PC
<b>MACKLING, Q.C., Hon. Al</b>	St. James	NDP
<b>MALINOWSKI, Donald M.</b>	St. Johns	NDP
<b>MANNES, Clayton</b>	Morris	PC
<b>McKENZIE, J. Wally</b>	Roblin-Russell	PC
<b>MERCIER, Q.C., G.W.J. (Gerry)</b>	St. Norbert	PC
<b>NORDMAN, Rurik (Ric)</b>	Assiniboia	PC
<b>OLESON, Charlotte</b>	Gladstone	PC
<b>ORCHARD, Donald</b>	Pembina	PC
<b>PAWLEY, Q.C., Hon. Howard R.</b>	Selkirk	NDP
<b>PARASIUK, Hon. Wilson</b>	Transcona	NDP
<b>PENNER, Q.C., Hon. Roland</b>	Fort Rouge	NDP
<b>PHILLIPS, Myrna A.</b>	Wolseley	NDP
<b>PLOHMAN, John</b>	Dauphin	NDP
<b>RANSOM, A. Brian</b>	Turtle Mountain	PC
<b>SANTOS, Conrad</b>	Burrows	NDP
<b>SCHROEDER, Hon. Vic</b>	Rossmere	NDP
<b>SCOTT, Don</b>	Inkster	NDP
<b>SHERMAN, L.R. (Bud)</b>	Fort Garry	PC
<b>SMITH, Hon. Muriel</b>	Osborne	NDP
<b>STEEN, Warren</b>	River Heights	PC
<b>STORIE, Jerry T.</b>	Flin Flon	NDP
<b>URUSKI, Hon. Bill</b>	Interlake	NDP
<b>USKIW, Hon. Samuel</b>	Lac du Bonnet	NDP
<b>WALDING, Hon. D. James</b>	St. Vital	NDP

# LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, 8 April, 1983.

Time — 10:00 a.m.

## OPENING PRAYER by Mr. Speaker.

**MR. SPEAKER, Hon. J. Walding:** The Honourable Government House Leader.

**HON. R. PENNER:** Mr. Speaker, I don't know if everyone has the corrected copy of the Order Paper, but I notice that mine has the correction. Bill No. 38 should be reading, An Act to amend the Society of Management Accountants - it originally came out just as "Account" in print.

**MR. SPEAKER:** The Orders of the Day have been corrected before distribution to members.

**MR. SPEAKER:** 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 considered certain resolutions, directs me to report progress and asks leave to sit again.

I move, seconded by the Member for Inkster, that the report of the committee be received.

**MOTION presented and carried.**

## MINISTERIAL STATEMENTS AND TABLING OF REPORTS

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

**HON. J. BUCKLASCHUK:** Mr. Speaker, I am pleased to inform the House that the Credit Union Stabilization Fund has today filed its 1982 Annual Report with the Registrar of credit unions. It's my understanding that Mr. John Barr, the General Manager of the Fund, will be reviewing the details of this report with the members of the credit unions at the Credit Union Central Annual Meeting tomorrow morning. While the details of the report itself must remain confidential for obvious reasons, it was agreed by all concerned that I should inform the House, and the people of Manitoba, of the general points made in the report and the progress the credit union system is making.

Mr. Speaker, during 1982 the total assets of the credit union system in Manitoba increased from 1.188 billion to 1.265 billion. This increase represents an annual growth rate of 6.5 percent as compared to 2.3 percent in 1981. This is most encouraging considering the economic climate that existed for most of 1982, and

demonstrates the increased confidence in the credit union system by Manitobans.

This annual report, the first from the New Independent Fund Board, indicates their emphasis on achieving their objectives of stability and profitability for the system.

Due to the completion of several mergers inherited by the new Board, the Fund experienced a substantial charge against it in 1982. New policies now provide for a thorough review of all alternatives to ensure the least cost to the members and system as a whole.

The report states communications with credit unions by both board and management is an initiative being undertaken. I highly support this move by the Fund. While I am sure not every credit union board and manager have as yet met with the Fund, it is my understanding that the Board and Fund will be making every effort to meet with boards of directors and management to ensure good two-way communications as a key factor to long term success.

While the number of credit unions under supervision of the Stabilization Fund remained relatively stable during the year, it should be noted that considerable progress was made in improving the viability of those credit unions. The Stabilization Fund Board has, as its stated objective, to work towards having no credit unions under its supervision.

The Department of Co-operative Development has developed an in-depth examination program to provide timely quality information to credit unions, the Central and to the Fund regarding the operations of credit union in general. This program, as requested by the system, will assist the credit unions examined to improve their operation. Examination will be undertaken to assist the Fund in identifying situations requiring their attention.

Mr. Speaker, I am pleased to announce the Fund had a net operating surplus of \$500,000.00. The December 31, 1982 balance sheet does, however, show that equity has been decreased by \$5 million, primarily as a result of credit union mergers as outlined earlier.

In summary, I would like to say this report shows that the credit union system is progressing in this province. While there is no "quick fix", and an immediate turnaround is not possible, there has been substantial progress.

Part of the loan agreement was a development of the plan of recovery based on each party fulfilling its own responsibility. I feel that with the kind of co-operative effort that I'm seeing by the member credit unions, the Central, the Stabilization Fund, and Department of Co-operative Development, progress will continue so that in a very few years the credit union system in Manitoba will be second to none.

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

**MR. R. BANMAN:** Thank you, Mr. Speaker. I'd first like to thank the Minister for apprising me of the statement yesterday and giving me the opportunity to peruse it yesterday and this morning.

I am pleased to see that the credit union system did increase their total assets, in other words the total monies on deposit, and that the people in Manitoba still have confidence in the credit union system.

We realize that many of the credit unions in this province are strong and have viable operations, but there are a number however that have, over the last few years for several different reasons, run up some fairly large deficits and those of course have to be dealt with at this time.

I would urge the government to continue to work with the credit union and caisse populaire movement to try and straighten out this problem, but I would also caution the government that the only way the co-op movement in Manitoba and Canada can survive is if the individual members of the different co-operatives are convinced, and by the courage of their conviction want to see the system continue. No amount of government propping will enhance the operations of the credit union and co-op movement if the individual members don't have the courage of their convictions to carry on the co-operative themselves.

I would further like to say to the Minister I hope that his department with the credit union movement, in consultation with them, will continue to make sure that every effort is taken to ensure the people that are involved - I think some 300,000 to 400,000 Manitobans that are involved in the credit union system - will continue to be protected as far as their deposits are concerned, and that they will continue to be able to use this as one of the vehicles which has helped Manitoba grow, especially in rural areas, as a financial institution and helped a lot of people through the years. So I thank the Minister for the statement this morning.

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

### INTRODUCTION OF BILLS

**MR. D. SCOTT** introduced Bill No. 38, An Act to amend the Society of Management Accountants of Manitoba Act.

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

**MR. G. LECUYER:** Mr. Speaker, I would like leave of the House to make a non-political statement in French.

**MR. SPEAKER:** Does the honourable member have leave? (Agreed).

The Honourable Member for Radisson.

### NON-POLITICAL STATEMENT

**MR. G. LECUYER:** Monsieur le Président,  
Je voudrais annoncer pour le bénéfice de tous les députés de cette Chambre que le poste de télévision de Radio-Canada visionnera dimanche soir le 10 Avril à 18h30 le film "Si cette planète vous tiens à coeur."

(English Translation)

For the benefit of all members in this House, I would like to announce that CBC Radio-Canada will be showing the film "If You Love This Planet" on Sunday, April 10th at 6:30 p.m.

(End of Translation)

## ORAL QUESTIONS

### Demonstration at U.S. Consulate

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

**HON. S. LYON:** Mr. Speaker, I have a question for the First Minister. Mr. Speaker, the First Minister is reported yesterday as having said that his two Cabinet Ministers, the Minister of Economic Development and Deputy Premier and the Minister of Resources, who attended the demonstration outside of the United States Consulate General where an American flag was burned, were naive and showed bad judgment.

Mr. Speaker, earlier I questioned the First Minister about statements made by the Minister of Economic Development to the effect that, at the request of the Premier, she, the Minister of Economic Development, made a speech at the protest over American intervention in Nicaragua. The Minister of Economic Development was also reported on March 25th as having said, and I quote, "Smith said she spoke at the protest at the request of Pawley and was acting as his spokesman. She said she had consulted with the Premier and the protest had been discussed by caucus."

Mr. Speaker, my question to the First Minister is very simply this, why is the First Minister trying to say that his Ministers who attended this unfortunate demonstration were naive and showed bad judgment when it would appear from the record, Sir, that he was the one who asked them to be there?

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

**HON. H. PAWLEY:** Mr. Speaker, in reference to the comments of the Minister of Economic Development, that was already dealt with by myself and by the Minister of Economic Development a week ago last Friday.

**HON. S. LYON:** Well, Mr. Speaker, is the First Minister saying that the statements attributed to the Minister of Economic Development by the Winnipeg Free Press on March 25th were inaccurate?

**HON. H. PAWLEY:** The Leader of the Opposition can read the record just as well as I can. The record is very clear. These questions were posed to the Minister of Economic Development, I believe it was a week ago last Friday. They were explained by her. They require no further additional explanation by me.

**HON. S. LYON:** Mr. Speaker, I can assure the First Minister that there will be further inquiry into this and into many other facets of this unfortunate incident.

Mr. Speaker, if the First Minister now is attempting to say then, that his Ministers were naive and showed bad judgment, and he is denying that he had any part in their being present at the American Consulate on that day, is he then saying, Sir, that he has lost confidence in his Ministers and will be seeking their resignations?

**HON. H. PAWLEY:** No, Mr. Speaker.

**HON. S. LYON:** Well, Mr. Speaker, then would the First Minister mind describing to this House and to the people of Manitoba this kind of never-never land in which he is placing his two Ministers, the Deputy Premier and the Minister of Resources. If they are naive and lack judgment, why is he keeping them in his Cabinet?

**HON. H. PAWLEY:** Mr. Speaker, the Leader of the Opposition appears not to follow statements in the House, statements from the Minister of Economic Development and myself. The Minister of Economic Development used those very words that the Leader of the Opposition is referring to some number of days ago when she acknowledged that indeed it was an indiscretion on her part.

Mr. Speaker, just so that there be no misunderstanding, not an indiscretion to have spoken out on the issues of freedom, but an indiscretion to have been at the Consulate itself.

**HON. S. LYON:** Well, Mr. Speaker, through the First Minister, then to the Minister of Economic Development and Deputy Premier, I give notice that I intend to ask her that question directly and to get an answer from her, as to the veracity — (Interjection) — Mr. Speaker, we need no cat calls from the nether regions of the socialist benches. This is a matter that the backbench may not realize, in which they and their government have done irreparable harm to this province and to this country.

Mr. Speaker, I give notice to the First Minister that I will be asking the Minister of Economic Development, whether she will confirm or deny the statements that she made to the Winnipeg Free Press on the 25th of March.

**HON. H. PAWLEY:** Mr. Speaker, if irreparable damage has been done, which I believe not to be the case, irreparable damage has been done by the deliberate efforts of the Leader of the Opposition to magnify this issue out of all proportion.

Mr. Speaker, all that I can witness on the part of the Leader of the Opposition and the entire opposition is a party that is indeed desperate for issues. We have spent two weeks, Mr. Speaker, already dealing with matters and no issue pertaining to the Speaker of this Chamber. We spent an additional two weeks, Mr. Speaker, dealing with the issues involving the demonstration in front of the Consulate. When are we going to reach the time when we can discuss jobs and employment, the basic issues that are concerning Manitobans in this Legislature? Instead, Mr. Speaker, we have an Opposition that is devoid of ideas, frightened of dealing with the basic issues that concern Manitobans. Instead they wish to fritter their time away with non-issues.

### Careerstart Program

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

**MR. G. MERCIER:** Mr. Speaker, in view of the First Minister's answer and his reported answer earlier today, that this question of the demonstration is taking far

too much time during this Session of the Legislature when other issues such as the economy and unemployment should be getting attention; and in view of the fact, Mr. Speaker, that we are now discussing the Department of Labour's Estimates - and we want to discuss unemployment, the crisis of unemployment among youth - would he instruct his Minister of Labour to answer our questions with respect to the Careerstart Program?

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

**HON. H. PAWLEY:** Mr. Speaker, let me assure the honourable member that we are anxious to discuss the Jobs Fund, we're anxious to discuss job retention in Manitoba because the record of Manitoba is amongst the best in Canada by way of job retention. We are anxious to discuss the unemployment rate in the Province of Manitoba because we've moved from the third lowest, under their term in office, to the second lowest in Canada, Mr. Speaker.

We are anxious to discuss housing starts, Mr. Speaker, because the housing starts — (Interjection) — if the Leader of the Opposition would for a moment cease from play-acting across the way and permit us to answer questions, I would appreciate it.

Mr. Speaker, in regard to housing starts - and the Leader of the Opposition should be delighted as a Manitoban - as a Manitoban we can take pride in the fact that housing starts in Manitoba have increased at a rate that is higher in Manitoba than any other province the first two months of this year over the first two months of last year.

**MR. G. MERCIER:** Mr. Speaker, despite the Premier's statements, during this week the Minister of Labour has refused to answer questions from the opposition with respect to unemployment among youth in the Careerstart Program and we are discussing an item in Estimates, the Employment Development and Youth Services Branch, the Careerstart Program administered by the Minister of Labour, her name is on the material, her name is on the large ads on the program and she refuses to discuss the program.

Will the First Minister instruct the Minister of Labour to answer those questions? If you want to discuss unemployment, we want to discuss it, she refuses to answer.

**HON. H. PAWLEY:** Mr. Speaker, the honourable member is misleading this House. The Minister has not refused to discuss this item, she has refused . . . — (Interjection) —

### POINT OF ORDER

**MR. SPEAKER:** Order please. The Honourable Member for Turtle Mountain on a point of order.

**MR. B. RANSOM:** Mr. Speaker, the First Minister has accused the Member for St. Norbert of misleading this House. I want that allegation withdrawn, Mr. Speaker, because it is simply an untrue allegation. The committee, yesterday afternoon, found it necessary to move adjournment because the Minister of Labour would not answer questions.

**MR. SPEAKER:** The Honourable Government House Leader to the same point of order.

**HON. R. PENNER:** To the same point of order, allegations were made by the Member for St. Norbert as to what he considers to be statements of fact. The First Minister, with reference to those same remarks, has said that was misleading or misleading the House, whatever the exact words used were. I think that the whole question turns on what will be seen in Hansard and I would submit that the matter be reserved until Hansard appears.

**MR. SPEAKER:** The Honourable Minister of Health to the same point of order.

**HON. L. DESJARDINS:** On the same point of order, Mr. Speaker . . .

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order please.

**HON. L. DESJARDINS:** Mr. Speaker, on the same point of order, the Honourable Member for St. Norbert said that we did not wish to discuss the Jobs Fund. That, in effect, is misleading, because, Mr. Speaker, everybody has a copy, and the procedure that we wish to follow will be followed. There are Estimates in committee and there are Estimates Review in the House. In the House, tradition has been that it's the responsibility of the Government and the Estimates in committee, the order and so on, has been the responsibility of the Opposition.

It is clear that one of the items to be discussed is Jobs Funds. It is important enough that it has been elevated to the same level as a department, and it is very clear. To say that we do not wish to discuss it is indeed misleading the House, when you have a copy that states very, very clearly that Jobs Funds will be discussed. We're trying to get all the information together and it will be discussed and we're anxious to discuss it, so there is no point here that there should be a withdrawal, unless there is a withdrawal from the member that stated that we do not wish and we're trying to get away from discussing the item.

**MR. SPEAKER:** The Honourable First Minister to the same point.

**HON. H. PAWLEY:** Mr. Speaker, in fact, if the Member for Turtle Mountain had awaited the further conclusion of my remarks, I was going to point out the precise words that the Minister of Health had just pointed out. We are not refusing to answer questions pertaining to the Jobs Fund or any other particular program that falls within the ambit of the Jobs Fund. Mr. Speaker, we have elevated this program to be dealt with in the same way as a department of government — (Interjection) — Yes.

**HON. S. LYON:** Well, say so then.

**HON. H. PAWLEY:** Mr. Speaker, I do not intend, nor are any members on this side of the House going to be constantly bullied day after day by the Leader of the Opposition.

**HON. S. LYON:** Go hide behind a Cabinet Minister's skirt.

**HON. H. PAWLEY:** Mr. Speaker, also let me tell you, I just heard a remark from the Leader of the Opposition that we are hiding behind Cabinet Ministers' skirts. The Leader of the Opposition can be as chauvinistic and as sexist as he wishes. We will not interrupt him, Mr. Speaker.

Mr. Speaker, how can I be misleading the . . .

**HON. S. LYON:** You're a silly man, a silly man.

**HON. H. PAWLEY:** How can I be incorrect when I have indicated that - Mr. Speaker, if you can for a moment give me the opportunity to respond so I am not being outshouted by the Leader of the Opposition from his seat - I leave it to you, Mr. Speaker.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order please. Order please. Order please. A point of order has been raised in this House to which honourable members wish to speak. I have recognized the Honourable First Minister wishing to speak to the point of order.

**MR. H. ENNS:** Tell us why your Minister would not answer questions.

**HON. H. PAWLEY:** Mr. Speaker, the Member for St. Norbert said that indeed the Minister of Labour was refusing to answer questions. Mr. Speaker, I point out to you that there is an item which is to be discussed under Estimates Review in the House, Item No. 12, to be dealt with in the House, Jobs Fund. We purposely, so that we could have the fullest opportunity to discuss the Jobs Fund and to deal with questions that honourable members might like to raise pertaining to that Jobs Fund, we deliberately and purposely elevated the Jobs Fund to the rank of a department of government for discussion.

Mr. Speaker, to suggest that the Minister of Labour is refusing to answer questions is patently wrong. She is anxious to answer questions. She is prepared to answer questions under the appropriate heading.

**MR. SPEAKER:** The Honourable Member for La Verendrye to the same point.

**MR. R. BANMAN:** Mr. Speaker, on the same point of order, the Member for St. Boniface was in his own Estimates yesterday and wasn't in the other committee. He didn't know what transpired there.

I want to say to the First Minister, in reply to his particular point of order, Mr. Speaker, that in all my 10 years here, when we deal with a particular line in a departmental Estimates which a Minister is responsible for, that Minister has always answered the question.

We were dealing in committee yesterday with Careerstart. The brochures have been sent out, the Minister's name is on them and, Mr. Speaker, yesterday when I went out of the committee to phone the number in the back of the booklet, who answered but Employment and Youth Services Branch of the

Department of Labour, the Department that the Minister is responsible for.

We have been asking this government questions about unemployment in this province, which is at the highest levels we've ever had it in this province. The Minister then goes ahead and come out and says, the Opposition doesn't want to discuss it. We want to discuss it. Your Minister of Labour is refusing to answer the questions on a subject matter that is before that committee.

I want to see the First Minister of this province withdraw his allegation that the Member for St. Norbert was misleading the House because he wasn't, because the Minister should be answering the questions the Opposition is asking.

**MR. SPEAKER:** The Honourable Minister of Labour to the same point of order.

**HON. M. DOLIN:** Mr. Speaker, and in fact to another point because the member has just said that item, Careerstart, is in my line budget. I have explained repeatedly; it has been explained through the Chair of the Committee; it has been verified by the Clerk present, that item is not in my line budget. It is in the line budget of the Jobs Fund, Appropriation 29, which is the place where we will be happy to discuss all of the details of the program. I have never said that I will not answer questions about it, but it is not appropriate to answer questions for a budget that is not in front of members at that time.

I am curious as to why the members have not ever asked a question about any of the attacks on unemployment through other programs that are within my budget Estimates and with which I would be happy to discuss with them the details.

**MR. SPEAKER:** The Honourable Member for St. Norbert to the same point.

**MR. G. MERCIER:** On the same point of order, Mr. Speaker, we are discussing unemployment, development and youth services. We are discussing Careerstart which the Minister advertised under the Department of Labour and Employment Services with her name on it. She has distributed information under the Department of Labour and Employment Services, Employment Development and Youth Services Branch, in which she states inside the Employment Development and Youth Services Branch of the Department of Labour and Employment Services of offering wage assistance to employers.

Mr. Speaker, this program is administered by the Minister of Labour clearly on everything that comes out of this particular department on this subject. To top it off, the First Minister says in the newspaper, he says in this House, we want to discuss unemployment. We've been trying to do it all week and they refuse to answer questions.

**MR. SPEAKER:** The Honourable Minister of Finance to the same point.

**HON. V. SCHROEDER:** Thank you, Mr. Speaker. The Member for St. Norbert has been told that there is no

money in the Department of Labour and Employment Services budget for the particular program which he wishes to discuss.

The purpose of dealing with the spending Estimates surely is to pass the spending Estimates, the dollar numbers. The dollar numbers for the program he wishes to discuss are in the Jobs Fund. The Jobs Fund is being administered by various Ministers, including the Minister of Labour and Employment Services. When we wish to discuss the passage of the money for that program, then surely the only place you can pass the money is in the area where the money is and that happens to be in the Jobs Fund.

If the members opposite would get off of these technical arguments and get on to the practicalities, discuss the issues that are before us at the time, then we could more quickly get to the Jobs Fund at which time we can discuss the whole \$200 million, not one little piece here and one little piece there. We have made a conscious decision to view fighting unemployment, to view getting jobs as something that should be moved forward. It's something that we should be highlighting; it's something we should be thinking about, and we can do it better in this way than in a chopped-up manner of dealing with it in each of the departments as they come up. So he has been misleading the House.

**MR. SPEAKER:** The Honourable Member for Turtle Mountain to the same point.

**MR. B. RANSOM:** Yes, Mr. Speaker. I would like to speak to the point of order, unlike the Minister of Finance, who has been allowed to debate an issue rather than to speak to the point of order. The point of order, Mr. Speaker, is that the First Minister accused the Member for St. Norbert of misleading the House. That, Sir, is a serious allegation which I am sure you are aware. And reference to Beauchesne, on Pages 108, 109 clearly shows that the use of the word "misleading" is unparliamentary. We have on occasion accused the members opposite of misleading the House, and we have taken the appropriate course of action and raised a point of privilege, many of which have been debated in this House.

The course of action for the First Minister is to withdraw his unparliamentary comment, and if he believes that a member on this side of the House has misled the Chamber then he should introduce a point of privilege with a substantive motion and have it debated.

**MR. SPEAKER:** The Honourable Minister of Health to the same point of order.

**HON. L. DESJARDINS:** Mr. Speaker, the Honourable Member for Steinbach said that I was in a committee yesterday and he's right. I've heard about it but I wasn't there. But I was here today, and I was here earlier when the Member for St. Norbert said that we did not wish to discuss the job program at all. That is when he was told that he was misleading the House because repeatedly he was told that we wanted to do it. This is something that it was put at the end, after the other departments, so all the Ministers could be there because

we're all involved. There is a Minister in the one, but we're all involved.

There are many things that I received for the Department of Health for job creation, and I want to be there when that is discussed. So to say that we do not want to be imputing motive, which is still just as much out of order and if one should withdraw, if the First Minister withdraws, the Member for St. Norbert should first withdraw his allegation.

**MR. SPEAKER:** The Honourable Member for Tuxedo to the same point.

**MR. G. FILMON:** The same point of order, Mr. Speaker. We're dealing with the issue of the First Minister's accusation of misleading the House. Mr. Speaker, on that very point, the Member for St. Norbert made the point that the Minister refused to answer questions on the Careerstart Program. He didn't say on the Jobs Fund; it's the Careerstart Program. He referred to it, he waved this in front of members and they're trying to diverge the issue onto something else that isn't there.

The fact of the matter is, Mr. Speaker, we are dealing with a program whose deadline expires on the 15th of April. That's a week from today. Now, the members opposite are talking about whether or not they will extend that deadline. That may well be, but the fact of the matter is as far as we know it's the 15th of April.

We cannot discuss it in committee despite the fact that it comes under this Minister's jurisdiction; that it refers to the very line we're dealing with in committee, Employment Development and Youth Services Branch of the department. We cannot discuss it according to these Ministers. That I believe is a valid point. It is not a point of misleading the House; it's telling the truth and the First Minister is trying to get out from under it.

We can't talk about the criteria; we can't talk about the deadline. We can't talk about the number of jobs created because this Minister of Labour refuses to answer questions. Yet the First Minister is defending her and saying that it's a right thing to do, even though he won't defend his Minister of Economic Development, Mr. Speaker. That is not misleading the House. He says that we can deal with it, No. 12 on the list, after things such as Health, Education, Northern Affairs, Environment, Workplace Safety and Health. It'll be June before we get to it, Mr. Speaker, the crisis is now. There are 25,000 unemployed people under 25 years of age in this province, and this government had better be willing to deal with it and not accuse us of misleading the House, Mr. Speaker.

**MR. SPEAKER:** The Honourable First Minister to the same point.

**HON. H. PAWLEY:** Mr. Speaker, in order that we get on with the business of the House I would advise you that I'm prepared to withdraw the word "mislead" but to substitute same by the fact that the Member for St. Norbert misinformed the House.

**MR. SPEAKER:** Does the Honourable Member for St. Norbert wish to speak to the same point?

**MR. G. MERCIER:** No, Mr. Speaker.

**MR. SPEAKER:** The Honourable Member for Inkster to the same point.

**MR. D. SCOTT:** Mr. Speaker, in the original point of order raised by the Member for Turtle Mountain he claimed —interjection— no, no, that yesterday the committee was forced to move adjournment. The committee did not do that, Mr. Speaker. The committee came in here and clearly voted down both in the committee and here in this House the motion of adjournment. It was not the committee moving adjournment. The committee, Mr. Speaker, moved that the committee do not adjourn; that's when it passed.

**SOME HONOURABLE MEMBERS:** Oh, oh!

### ORAL QUESTIONS (cont'd)

**MR. SPEAKER:** Order please, order please. Order please.

Does the Honourable Member for Burrows wish to speak to the same point of order?

● Order please.

**MR. C. SANTOS:** On a different matter, Mr. Speaker, I'd like to direct a question to the Minister of Health.

### Jobs Fund - allocation of funds

**MR. SPEAKER:** Order please, order please. The last remarks of the Honourable First Minister would seem to have taken care of the matter.

The Honourable Member for St. Norbert.

**MR. G. MERCIER:** Mr. Speaker, in view of the fact that we are discussing the Minister of Labour's Estimates in a branch which is advertised as "The Branch Administering the Careerstart Program;" in view of the fact that the filing of applications under this program expires one week from today, and the information has only been distributed for a little over two weeks, Mr. Speaker; in view of the fact that there is a crisis of unemployment, particularly among youth people in Manitoba, Mr. Speaker, would the First Minister - who says he wants to discuss unemployment - not request the Minister of Labour to answer our questions in this particular program?

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

**HON. H. PAWLEY:** Mr. Speaker, we are anxious to, as I mentioned, at every appropriate occasion and opportunity, discuss the items pertaining to jobs, to employment. I thought every member in this House has the list. We discussed the Jobs Fund, Item 12 under the House.

Mr. Speaker, honourable members succeed in having their way in respect to discussing any particular item wherever they want. We'll be discussing Education Estimates during the Health Estimates; we'll be discussing Energy and Mines during the Northern Affairs Estimates; we'll be discussing Urban Affairs during the Agricultural Estimates. Mr. Speaker, it may very well be that the members of the Opposition are a

disorganized bunch, Mr. Speaker, and we don't intend to follow a disorganized routine.

**MR. G. MERCIER:** Mr. Speaker, in view of the fact that the Minister of Labour has indicated that \$3 million was transferred from the Department of Labour to the "Job Fraud Fund", Mr. Speaker; that over \$100 million was transferred from ongoing programs to the "Job Fraud Fund"; would the First Minister not acknowledge this is an ongoing function of the Department of Labour to provide employment programs for unemployed young people, and this is the proper place to discuss it. The problem is now, Mr. Speaker, not in August or September or July, when the First Minister wants to discuss it.

**HON. H. PAWLEY:** I thought that the former Attorney-General would be a little better informed insofar as the Rules of the House. The expenditures are allocated under a line - Jobs Fund. The Jobs Fund is to be discussed later during the Estimates, as per a list of departments that have been distributed at least to some members of this House, that I gather was discussed between the two House Leaders, Mr. Speaker.

We will also be introducing a bill . . .

**MR. H. ENNS:** The crisis is now, let's discuss it now.

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

**HON. H. PAWLEY:** Mr. Speaker, legislation will be introduced to establish a Jobs Fund Act. That legislation will be introduced in a matter of days. I look forward to discussing the job situation in the Province of Manitoba.

What this government is attempting to do with the business and with the labour and with local government in this province and the Federal Government, is to overcome the jobless situation in the province, in contrast to the type of hypocritical grandstanding, that so often we hear from those that pursue the ultra-conservative direction in the affairs of Canada.

### POINT OF ORDER

**MR. SPEAKER:** The Honourable Member for Turtle Mountain on a point of order.

**MR. B. RANSOM:** Mr. Speaker, I'm sure I hardly need to draw to your attention, that the accusation which the First Minister has made is unparliamentary, for him to accuse the members of this side of the House of being hypocritical over our concern for the unemployed in this province. I would ask the First Minister once again to withdraw that allegation.

**MR. SPEAKER:** The Honourable Government House Leader to the same point.

**HON. R. PENNER:** Yes. Apparently the Member for Turtle Mountain was not listening. There was no reference whatsoever in that remark of the First Minister to any member of the House and that was the last directive part of his statement. He said, "to those who

subscribe" and it was keyed, "to those who subscribe to ultra-conservative monetarist policy." — (Interjection) — If the shoe fits, you're welcome to wear it. But there was no reference whatsoever to a member of the House and therefore the point of order is as invalid as you can get.

**MR. SPEAKER:** The Honourable Member for Tuxedo to the same point.

**MR. G. FILMON:** Mr. Speaker, the First Minister clearly referred to the kind of hypocritical grandstanding that was going on, on this side of the House, which is a general slur, and he should withdraw it.

**HON. R. PENNER:** The record will show, beyond doubt, that he talked about the hypocritical grandstanding of those who subscribe to ultra-conservative monetarist theories, that's what he said. And for the Member for Tuxedo to put words into the First Minister's mouth is improper.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order please. The Honourable Member for Elmwood to the same point.

**MR. R. DOERN:** Mr. Speaker, it's perfectly in order for a member of this House to state that the other side, or a member, is not concerned with employment, or not concerned with this and so on. It depends on their record; it depends on their words; it depends on the issues they're dealing with. That is the opinion of the First Minister in that regard and I think it's shared by a large number of people in this House, and in the province at large.

Mr. Speaker, it is certainly not an unparliamentary statement to make such a statement. An unparliamentary statement usually consists of a word of something that is listed and synonyms therefor. The fact that a member gives his opinion about the actions of the Government, the actions of the Opposition, the manner in which they are conducting business, that is certainly not an unparliamentary thing.

**MR. SPEAKER:** The Honourable Member for Fort Garry to the same point.

**MR. L. SHERMAN:** Yes, to the same point of order. The First Minister's use of the term "hypocritical grandstanding" was clearly directed at members on this side of the House because, Mr. Speaker, I appeal to your sense of logic and reason, and the logic and reason of every member of this House, why else would the First Minister have used that phrase in a debate or a dispute with my colleague, the Honourable Member for St. Norbert, over our attitude and our position towards the Government's unwillingness to discuss unemployment and job creation? Why would he have used that phrase if he weren't using it in that debate, Sir? So it had to be clearly directed towards us.

For the Government House Leader to suggest that he was alluding to some vague abstract group of people, who are ultra-conservative, subscribing to a particular monetarist policy somewhere out there in nether nether

land is utterly absurd. It doesn't stand up under scrutiny. He had to be using that term in reference to us or he would not have used it in the debate, Sir, therefore, the First Minister has clearly violated the rules of propriety in terms of parliamentary procedure and he should and must withdraw that accusation.

**MR. H. ENNS:** Let's have a ruling.

**MR. SPEAKER:** The Government House Leader to the same point.

**HON. R. PENNER:** Mr. Speaker, I'm not a freshman, I'm a sophomore by now. The next year I'll make it to the undergraduates. Mr. Speaker, the Member for Fort Garry's sophistry would be tolerable if it weren't so lengthy. The fact is that for a remark to be declared unparliamentary and require a consideration of withdrawal it requires two things. It has to: (a) be in itself unparliamentary; and (b) be directed either to a member or members of the House, and there was no reference whatsoever in the First Minister's statement, no explicit defined reference to any member or members of the House. He talked about a category of people. If any of the people across fit that category, that's their problem, it's not yours.

**MR. SPEAKER:** The Honourable Member for Fort Garry to the same ruling.

**MR. L. SHERMAN:** Mr. Speaker, the sophistry of the Government House Leader would be tolerable if it weren't so absurd. Mr. Speaker, there has been a debate going on between my colleague, the Member for St. Norbert, and the First Minister — (Interjection) — no, I'm speaking to the point of order. Mr. Speaker, the Minister of Health is harassing, me; I refuse to be harassed and diverted by him. There is a debate that has been going on — (Interjection) — and as a consequence of that debate, Sir, the First Minister used the term "hypocritical grandstanding" in alluding to the position that had been taken by my colleague and members on this side. Therefore, the term "hypocritical grandstanding" was directed to my colleague and to members on this side of the House, regardless of what kind of evasion the Government House Leader may attempt to practise in terms of the application of those words. The First Minister clearly has violated the proprieties of parliamentary procedure and must withdraw that term, Sir.

**MR. SPEAKER:** The Honourable Member for Elmwood to the same point.

**MR. R. DOERN:** Mr. Speaker, if a member calls another member a hypocrite, that is unparliamentary; but to say that a statement or an action is hypocritical, or to say it is "hypocritical grandstanding" is not unparliamentary. The word "grandstanding" is not unparliamentary. We have used the word "hypocritical" many times in this House. I've heard it dozens of times from that side of the House this Session alone. So the fact that that's the phrase the Member for Fort Garry is focusing on, so what? It is not an unparliamentary statement to make that.

**MR. SPEAKER:** The Honourable Member for Turtle Mountain to the same point.

**MR. B. RANSOM:** Mr. Speaker, I'm sure that you are familiar with the rules and you have heard the statement made by the First Minister and the point of order has been spoken to by several members, I should think that a ruling would be appropriate.

### SPEAKER'S RULING

**MR. SPEAKER:** If there is no one else wishing to speak to the same point, I will note that the word "hypocrites" and similar words has been used a number of times in this House and has not been ruled out of order, possibly because it appears on the list of prohibited words and on the list of committed words. Members will find it on Page 112 of Beauchesne and also on Page 107 of Beauchesne, which is probably the reason it has not been declared out of order in the past. The term might be discourteous and it might annoy some of the members but I cannot, under these grounds, declare it to be unparliamentary.

The Honourable Member for St. Norbert.

**MR. G. MERCIER:** Mr. Speaker, I am disappointed that the First Minister of this province would resort to name-calling and slurs when we are attempting to discuss unemployment.

### Jobs Fund - Estimates

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

**MR. G. MERCIER:** My question to the First Minister is, Mr. Speaker, in view of the fact that the government selects the order of Estimates in the House and they have chosen to put the Jobs Fund last for consideration in the House, and in view of the fact that there is a crisis of unemployment and we want to discuss unemployment, and he allegedly says he wants to discuss unemployment, would he change the order of Estimates in the House and have the Jobs Fund follow completion of the Health Estimates in the House, which are currently being discussed, so that we can discuss this late next week or early the following week when the Health Estimates end?

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

**HON. H. PAWLEY:** It would help the Member for St. Norbert if I just reviewed some of the background.

**SOME HONOURABLE MEMBERS:** Oh, oh!

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

**HON. H. PAWLEY:** Mr. Speaker, the Leader of the Opposition again has accused me of hiding behind skirts, I leave members to draw their own conclusions from the repeated utterances by the Leader of the Opposition in that regard. Mr. Speaker, it appears that the Member for St. Norbert — (Interjection) — I don't

intend to try to shout out the shouts from members across the way.

Mr. Speaker, I mentioned a few moments ago that legislation would be introduced in this Chamber; it will be introduced within a matter of days to establish The Jobs Fund Act. Honourable members will have opportunity at that point to discuss the announcements that have been made in respect to the Jobs Fund. They'll have opportunity to discuss the principle of the Jobs Fund. Mr. Speaker, they'll have opportunity to deal with the announcements that have been made up to this point. Mr. Speaker, we will have even greater opportunity to deal with the full measures that are involved in the Jobs Fund later during the debate because we'll have opportunity to also discuss the many announcements that are to take place during the next two months. — (Interjection) — Mr. Speaker, I indicated earlier, I do not intend to shout to try to make myself heard above the shouts from the Leader of the Opposition.

Mr. Speaker, there are many announcements that will be made over the next two months. There is a Federal Budget that will be introduced on April 19th which will give us further opportunity to discuss the details of the Jobs Fund. Mr. Speaker, we look forward to discussion of the legislation itself in the next week or 10 days, and we also look forward to discussing the total appropriation of \$200 million under the appropriate level that has already been agreed to insofar as Estimate review discussion in the House.

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

**HON. M. DOLIN:** Mr. Speaker, a few days ago the Honourable Member for Virden asked me a question; I took it under advisement. The information that I have for members opposite . . .

**MR. SPEAKER:** Order please. The Honourable Leader of the Opposition to a point of order.

**HON. S. LYON:** Mr. Speaker, on a point of order. We have obviously not finished with the topic that is under way in question period.

**MR. SPEAKER:** The Honourable Government House Leader to the same point.

**HON. R. PENNER:** That is no point of order at all, simply another attempt by the Leader of the Opposition to direct the business of the House from his seat. You recognized the only person who was standing, and that is your prerogative.

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

**HON. S. LYON:** Mr. Speaker, I think it's obvious, Sir, that the Member for St. Norbert had continuing questions, as indeed we do. We had presumed that the Minister of Labour was standing to respond to the Member for St. Norbert. Can we get the House back on track, Sir.

**MR. SPEAKER:** The Honourable Minister of Finance to the same point.

**HON. V. SCHROEDER:** Mr. Speaker, on that point of order, I would remind the Leader of the Opposition that it has been a longstanding tradition in this House for a member to have a question and several supplementaries. If he will check Hansard, he will find that particular member, the Member for St. Norbert, had more than two supplementaries and it is surely time now that another member have an opportunity.

**MR. SPEAKER:** Order please. Order please. Order please! I believe there was no point of order.

The Honourable Minister of Labour.

### Careerstart Program

**HON. M. DOLIN:** Thank you, Mr. Speaker. The Member for Virden asked a question about the deadline for the Careerstart applications. He pointed out that there was an Easter weekend where mail delivery and the movement of mail did not take place. In consideration of that, after discussion with the staff involved, we have determined that we will be accepting applications for the Careerstart Program for an additional week which takes it up to April 22nd.

I would also like to thank the members opposite for all the added publicity, because the phones are ringing off the wall. That program is going to be oversubscribed to a very great extent. Our youth are going to go back to work.

**MR. SPEAKER:** Order please. The time for Oral Questions has expired.

### ORDERS OF THE DAY

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

**HON. R. PENNER:** Mr. Speaker, would you please call the adjourned debate on the proposed motion of the Minister of Energy and Mines, Bill No. 4, standing in the name of the Member for Morris.

### INTRODUCTION OF GUESTS

**MR. SPEAKER:** Before I do, may I direct the attention of honourable members to the gallery where we have, I believe, 16 students from the University of Manitoba under the direction of Mr. Garcia. The school is in the constituency of the Honourable Member for Burrows. On behalf of all the members, I welcome you here this morning.

### ORDERS OF THE DAY (Cont'd)

**MR. SPEAKER:** On the proposed resolution of the Honourable Minister of Energy and Mines, second reading, Bill No. 4, standing in the name of the Honourable Member for Morris.

**MR. B. RANSOM:** On a point of order, Mr. Speaker, due to the very unusual and perhaps unprecedented situation where we have a committee of the Legislature meeting at the same time as question period in the

House, we'll have to ask the indulgence of the House while we send someone to the other committee to have the Member for Morris come to speak on this bill.

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

**HON. R. PENNER:** Would you then call the adjourned debate on the proposed motion of the Minister of Energy and Mines, Bill No. 16, until he comes.

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

**MR. B. RANSOM:** The request was for the indulgence of the House while we send someone to get the Member for Morris to come and speak on Bill No. 4. If the Government House Leader denies that request, then let him stand and say, he denies it.

**HON. R. PENNER:** I'm not denying that request. I was trying to accommodate the members. The particular order of calling bills was suggested to me by the Opposition House Leader.

**MR. B. RANSOM:** 4 and 16, not 16 and 4. There is a difference.

**HON. R. PENNER:** The member is not here. You're requesting that we sit here and we wait while they get him. Fine, but drop the venom from your voice, you don't need it. Try to be co-operative, it wouldn't hurt you.

**MR. SPEAKER:** If that is the will of the House, I will recognize the honourable member when he comes into the Chamber.

**ADJOURNED DEBATES  
SECOND READING - PUBLIC BILLS  
BILL NO. 4 - THE MANITOBA OIL AND  
GAS  
CORPORATION ACT**

**MR. SPEAKER:** On the proposed motion of the Honourable Minister of Energy and Mines, the proposed second reading of Bill No. 4, The Manitoba Oil and Gas Corporation Act, standing in the name of the Honourable Member for Morris.

**MR. C. MANNESS:** Thank you, Mr. Speaker. If you could just give me a couple moments to become a little bit more organized.

Mr. Speaker, in addressing this bill I, first of all, went over some of the introductory comments of the Minister when he brought forward Bill No. 4. I tried to look at the rationale that he presented in bringing it forth. He made comments like, the private oil companies have welcomed this initiative or will welcome this initiative of the government to bring forward this legislation that will allow some joint efforts, as he says, for those of them that are junior companies. Of course, he also indicates that the other reasons for bringing it forth is

it acts as a window to the industry. I'll make some further comment on that a little later on.

I suppose I'm a little concerned about using that as an excuse, wanting to go into a joint venture with the small, private oil companies. I can see, conceptionally, that would be welcome, it would be welcome certainly to the small so-called independents. It conjures up in my mind images of DREE rushing in to help small firms who may or may not have great potential for profitability, but nevertheless they're there. It brings back images of a beef plan that would have farmers, because of the incentives involved, rushing to be involved in the plan.

I remember the comment from the Member for Arthur when he says, these are the free enterprisers that will rush out to be part of government aid. He says that the freer the money, the more enterprising they are. I'm just wondering again if this isn't another example of government wanting in on what they believe is their interest and indeed the people of Manitoba's interest, to help the small independents without really knowing for sure whether the long-run results will work to the benefit of anybody.

We hear the other familiar comment - window on the industry. Of course, that has now become a term that lives in infamy, in a sense, after we've seen what's happened with Petro Canada because indeed it seems to me that that was their slogan of the day to sell their product. It was an opportunity for the government of the nation to have a better understanding as to what was happening within energy areas.

So, between those two areas, those two specific items are what the Minister has used as the major reasons for introducing this type of legislation. Again, he says to assist the private juniors, and I suppose that's conceptually acceptable, although I'm wondering why the healthiest usually begin on their own and stay on their own.

Possibly the most beneficial comment that he offers is, I think, his third point, the three primary objectives, he says, the third being to husband our resources through enhanced recovery projects and innovation. That's the one area I suppose I could support but certainly not the other two.

So I guess it begs the question, Mr. Speaker, whose interest is being served in the development of a ManOil brought forward by the passing of a Manitoba Oil and Gas Corporation Act? Who really wants this particular Crown corporation? Is it only the junior oil companies, or is it Manitobans as a whole? Because I don't think that one interest is necessarily the same as the other. I can't believe for one moment that an attempt to help the junior companies is necessarily synonymous with the desires of Manitobans to see established, this type of a Crown corporation.

In my view, southwest Manitoba has developed properly, has developed maybe not as quickly as some would have liked. But what has been wrong with the orderly development? What has been wrong with the manner in which it has come onstream? I wonder what effect a Manitoba oil and gas corporation, how it would have helped the development of southwest Manitoba to a point any different than it is right now. Some may argue that it may have speeded it up but I question whether that would have been the logical goal to achieve.

So whose interest is being served, Mr. Speaker, in the development of this particular corporation? Well,

I suppose it's the ideological supporters of the NDP; their interests are being served, without doubt. What concerns me is that I don't hear the large outcry against this in spite of some of the things we're beginning to find out about Crown corporations throughout the world, indeed in our own nation, indeed in neighboring provinces. I don't seem to hear the concern of people being at all worried about our province again entering into this particular field.

I think it says a lot about our whole society when we know that as governments we have so few scarce dollars but we still manage to find enough to spin off another corporation such as this. It seems to me that the only groups in society that care at all about government involvement anymore are the farm communities and small businesses and I at times have my doubts on them.

Well, what is happening elsewhere, Mr. Speaker, that again has this government wanting to introduce within Manitoba this concept of a provincial corporation involved in this type of activity?

I don't know the answers to the questions I'm going to pose but I'm wondering how many states in the United States indeed are involved, have an active interest in oil exploration and development. Maybe the Minister, in giving his final comments, or indeed as we work through this bill he'll have an opportunity to give answer to that.

I say the fact that there are other western provinces involved in this whole area makes little difference to me - I can honestly say that. I know Alberta has some investment in tar sands, and I know there was a time when they first moved into the area, and I think of public shares, they brought forward some company called Alberta Energy and I was an original shareholder in that and did fairly well. To me that was the way that I saw the Alberta Government moving into their oil and energy activity.

Yet I don't see, particularly this province wanting to share with Manitobans in a public share structure, the benefits of the activities, if there are any, of this particular corporation going into business.

We're told what Ontario has done and in fact they have purchased shares into a private company, and of course we are well aware of what Saskatchewan has done. We've sort of glossed over the fact that we have to take as a given that all our neighboring provinces are involved in these types of activities. Of course we're led to believe that because they are there it's a good area to be in ourselves.

Then we try to find out exactly how well Saskatchewan is doing. There are many articles, and I'll only maybe quote one or two. But the Sun of Wednesday, December 15th goes on to say that indeed there were some difficulties in Saskatchewan, and I'll quote this one paragraph. I've read the wrong article first, that SaskOil was obtaining interest-free loans from the NDP Government there. Then a specific item and it was in the editorial page of the Free Press and I'm sorry I don't have the date. It indicated that that province's SaskOil lost some \$800 thousand. "Again depending on," the article goes out to point out, "the type of accounting procedure used that some people believe that indeed that figure was too low, that indeed SaskOil had lost much more money in the fiscal year."

So I think the jury's still out, Mr. Speaker, as to really what is the benefit to governments, to people owning

their resources certainly in Saskatchewan I suppose and to a larger extent, Manitoba. You know, again it makes me question that whole decision and the desire to move into that area.

I guess I could sum that up by saying, because everybody else has done it I don't think it's necessary that we do. It also makes me really wonder why we can't use the powers of taxation. I heard the comment made by an individual representing Chevron Oil last night in the committee, and he indicated that some 30 percent of revenues that his company develops in Manitoba go back to the Provincial Treasury. I am wondering, within our small, exciting but modest, oil energy, why we can't use the route of taxation to make our presence known?

Mr. Speaker, we could move into the whole area of, really, where are we headed in this nation as far as attempting to come to some understanding of our whole future, energy needs and supplies? I can tell you, Mr. Speaker, I am not terribly impressed with the record that the Federal Government has shown in its attempts to provide self-sufficiency, and if it is it's at a tremendous cost. Of course, this was highlighted I think to some degree the other day when we were debating the resolution on taxation on farm fuels.

I think many of our citizens of this country are beginning to wonder why in fact we, as users of fuel products in this country, are paying some 55, 60, 70 cents a gallon, equivalent in Canadian currency, than Americans, when we know quite well or very well that indeed that the oil producer there is receiving 100 percent of world value, and in Canada we're now I think at some 85 percent. A lot of people are beginning to ask questions as to why and what logical conclusion in what we've learnt from having a window on the industry approach. What has it given to us? Has it provided anything to Canadians?

I know that, having had an opportunity to go to a conference in Newfoundland and watching all the decisions that are being made associated with Hibernia, in that province and indeed Ottawa attempting to secure oil some 200 miles off land and all the new technology and the new research that has to go into providing the necessary equipment and material that can bring forth oil, possibly in seven or eight years, is incredible and tremendously costly. I wish somebody could tell me specifically how much it is costing each and every one of us because of the government's decision to make this country self-sufficient in fossil energy. It brings to question the whole economic criteria behind that goal.

You can take that and then you bring it to Manitoba and again you ask yourselves, what is the economic criteria for our province at this time moving into that whole area? Maybe there could be other areas that we could better spend that \$20 million.

So I think within the whole question of energy, certainly very few people have convinced me in this country and indeed in this province that we know where we're going in energy. I think we are shooting at a moving target and I'm wondering if we're even seeing it at all, so do we really know where we're going, particularly, in fossil fuels? I say, no. It's because of this uncertainty I question again the reason why this province feels compelled to move into that whole area and why we feel compelled to set up another Crown corporation.

Why don't we, as a province, concentrate on other energy forms? Of course, we debated a resolution here last night on hydrogen and maybe there are others, but certainly hydrogen comes to mind. I know the members opposite have a very dedicated desire to seeing hydrogen come forward, but why can't we take those resources and direct them specifically? The resources that we are thinking of putting into this oil energy, into this fossil area, why don't we direct them into something where we could attempt to lead the world in research? Hydrogen, if we feel it's the area that's the next energy form some 30 or 40 years away, why don't we begin now building slowly towards the research necessary to see it come forward?

Like somebody said, even when we were at the Newfoundland meeting and I think it was somebody from Ottawa, that to change your energy source indeed would require, as we all realize, a major change in the whole infrastructure of society; that indeed to plan to that would be probably a 20 or 30-year process. People tell me that indeed within 30 years that fossil fuels will be passé. I'm not saying that they are saying we won't have any left, they're just saying that by that time technology will have brought forward a different form of energy source. So why don't we become world leaders in some area? If we can agree, and we are confident in the fact that hydrogen is going to be our future energy source, why don't we begin to slowly work towards developing research facilities and centres right here within Manitoba?

I can tell you, Mr. Speaker, and indeed you probably were impressed too with what Newfoundland has done in developing technology to deal specifically with the problems offshore on the Grand Banks, to deal with icebergs, to deal with under-falls. Indeed, there was a whole technology that was being developed; there was a whole research-based scientific community right within Newfoundland to deal with the specific problems that the oil industry would be encountering out in the ocean. I am just wondering why indeed give some of our consideration, and again dealing with these scarce dollars that we have in this province, towards some futuristic energy source.

I doubt that the members opposite, of course, could accept that. I know they wouldn't disagree with what I say, but I know that they are so hung up on the fact that large oil companies are ripping us off in our existing fossil fuels that they believe they have to have a presence there because there are massive profits there, they believe, that are fleeing and we have to have a presence to see what's happening. I am afraid I'll have to totally disagree with that.

So again, in closing, Mr. Speaker, I say why do we need this Crown corporation? I still don't see why. If oil is profitable, let the private companies do the exploration; let them do what is necessary for them to make their profit and then let's tax accordingly. As long as the rules don't change and everybody knows where they stand - this system has worked well for 100 years - let's let it continue in Manitoba in fossil fuels and let other provinces around us provide the window to the industry.

You know, Mr. Deputy Speaker, I find it rather odd that we can put satellites up and we can pinpoint to within a square foot what's happening on earth in any territory, and I wonder what kind of window on the

world that is, compared to a government saying that we have to have a window on the oil industry by moving in physically. I wonder what information and what levels of communication aren't available to us as a province that forces us, that makes us feel like we're missing something, that something's going on within that industry that we should know about. I'm wondering why we can't glean whatever information that we think we need from provinces on either side of us, indeed, from the country, and then let's take those scarce resources again and move them into some other area which obviously will be a long-term benefit to this province.

So hopefully the government, in their wisdom, will see that we have very little to gain in supporting another Crown corporation within this area, Mr. Speaker. Thank you.

**MR. DEPUTY SPEAKER, P. EYLER:** The Member for Turtle Mountain.

**MR. B. RANSOM:** Thank you, Mr. Deputy Speaker. My colleague for Morris says why do we need it? I think that's a valid question. But I acknowledge that the New Democratic Party made a promise in the election - ManOil, first upon the scene on October 17, 1981, when the now First Minister made the announcement at the SaskOil site at Kirkella - so the New Democratic Party in this case is simply fulfilling an election promise and I acknowledge that. I'm quite prepared though to try and demonstrate that this is not a good use of the taxpayers' money.

I'd like to review, first of all, some of the comments that the now First Minister of the province made when he made his announcement in October of 1981. He had a number of reasons as to why our province should be involved in a Crown corporation to explore and develop oil and gas in this province. One of the things he said was that other provinces were doing it. He said, "Despite industry scepticism, other provinces," and he named some, "already are involved in oil and gas developments, as is the Federal Government with Petro-Canada, there's no reason Manitoba should not do the same." He goes further on and he's quoted again as saying, ". . . but there's no reason Manitoba should be the odd man out." One of the reasons was simply because the others are doing it. Now I'm not sure that an analysis of that kind of reasoning in any way demonstrates that Manitoba should be involved but that was one of the reasons.

Another of the reasons that the First Minister gave was to keep the profits in Manitoba. He said and I'll quote from the Free Press article of October 17, 1981, he was referring to the wells at Kirkella, "The profit from these wells goes to the people of Saskatchewan because their government is committed to public investment in energy development." So his second reason for promising a Crown oil and gas corporation was to keep the profits in Manitoba, and that of course assumed that profits would be made.

He also said that it would increase exploration in Manitoba by 10 percent of the amount of money that they plan to spend. He went on to say and this is partly a quotation, a direct quotation in the Free Press, "Eventually I hope to arrive at the same situation our

sister province has been involved in," and then the Free Press paraphrased him, "He said that, like Saskatchewan, profits from the Crown corporation would be churned back into resource development and used to improve social programs in the province."

So there was the other reason that the First Minister gave and that of course was reiterated in the well-known document, "A Clear Choice for Manitobans," Mr. Deputy Speaker, where the now First Minister said, "We can tap our resources of energy wisely. With ManOil and Manitoba Hydro we can develop programs to guarantee that no Manitobans lose their homes or farms due to high interest rates." So again, there was the very clear promise that this corporation would be making profits that could be churned back to support social programs and to help people in time of need. He also said that one of the other things that the Crown corporation would do would be to explore in Northern areas of the province and perhaps even in Hudson Bay.

Those were the reasons that the public were given as to why we should have an oil and gas corporation in Manitoba owned by the people of Manitoba. He also said at the same announcement, he added a few other things by saying that there were would be little chance of wasting the taxpayers' money, this again is paraphrased from the Free Press article, "There would be little chance of wasting taxpayers' money drilling dry wells." He said that the corporation would be established within six months of the New Democratic Party in the taking over of government - clearly that was one thing that they delayed - but he also said that they would be producing oil in about two years. That was a promise that was made in October '81, so sometime, about six months from now, in order to fulfill that promise, this corporation is going to have to be producing some oil.

Now, one might be able to do that if they were able to go out and take over another company, an existing company, and buy some wells. But in his statement made in October, and again this is from the Free Press, he is paraphrased as saying, "We would not move to take over private oil companies." So the people were promised that they would not be doing that. This is simply an investment of the taxpayers' money to make some profits and we're going to have oil flowing within about six months.

Now, there was constant reference during the election to SaskOil and the members opposite made frequent reference to SaskOil even before the election, because SaskOil had come into Manitoba and we welcomed them. They came in, they competed for leases, they got some leases, they drilled some holes, they found some oil. Fine. But the people of Manitoba were told that SaskOil was making a profit for the people of Saskatchewan and that those profits were being used to help sustain social programs.

So I would like to put a few facts on the record about SaskOil and these simply flow from an examination of the Annual Report of SaskOil from the time that the corporation was formed in 1973-74 until the end of 1981, which is the last Annual Report which is available. At the end of 1981, SaskOil shows retained earning of \$22,332,000 but one can assume, looking at that statement, Mr. Deputy Speaker, that indeed the Crown oil and gas corporation has made \$22,332,000 for the people of Saskatchewan. But a more careful

examination of the Annual Report shows that the Government of Saskatchewan and the Heritage Fund of Saskatchewan had to the end of 1981 advanced \$94.5 million to SaskOil Corporation interest-free. So the people of Saskatchewan had \$94.5 million invested in SaskOil at the end of 1981.

Now, Mr. Deputy Speaker, I have done a calculation by taking the amount of money that the Government of Saskatchewan advanced to SaskOil in any given year, have calculated an interest cost which is approximately the cost that the Province of Manitoba was borrowing money at during that year and added that interest cost back onto the amount of money that had been advanced by the Government of Saskatchewan and carried that calculation through to the end of 1981. That shows, Mr. Deputy Speaker, assuming that the money is advanced on the first day of the year - which it would not be, it would be over the course of the year, but I have no way of knowing that exactly - but what it comes to is that the people of Saskatchewan have either paid out or foregone interest of approximately \$37 million for the privilege of owning SaskOil since its inception. When the company shows retained earnings of \$22 million at the end of 1981 up to that point the net loss, the net cost to the people of Saskatchewan is approximately \$15 million to own SaskOil. Now, that may change, but the corporation was in place from 1973 until 1981.

So, there's a period of eight years and up to that point there was a loss, and they had not paid out any dividends - well, the Minister of Natural Resources says, what about assets? If he wants to sell it out, he might realize a profit. Now, that may be. But the point is that there have been no profits flow to the people of Saskatchewan; there have been no dividends flow to the people of Saskatchewan to the end of 1981.

Now, if that's the case, Mr. Deputy Speaker, and I can assure you that is the case, how then could the now First Minister have promised the people of Manitoba that profits from a Manitoba Oil and Gas Corporation were going to help people, to assure that people didn't lose their homes or farms because of high interest rates? How could they make that promise? Did they not understand what was happening in Saskatchewan? There is no way that corporation could return that kind of money to the people of Manitoba within the period of time that the people were led to believe would be the case.

It's also interesting, of course, to know that at the end of 1981 the people of Canada had something like \$1.9 billion advanced to PetroCan on which PetroCan is paying no interest and the people of Canada are bearing that cost. But yet, the First Minister will stand up and say Petro Canada made \$65 million - whatever - for the people of Canada last year. Look at the cost, Mr. Deputy Speaker, to us poor taxpayers of \$1.9 billion.

Now, if the government wants to go into a Crown corporation, as they've promised they would, then they have every right to do so because it was a promise and they won the election, but what the government should be doing then is establishing this corporation in such a way that the full costs will be clearly known, the costs or the benefits, will be clearly known to the people of Manitoba because there is always a possibility that it will make money. The fact is that oil exploration and development is very high risk, but there is always

that chance that they might strike it rich, and if they do, they could have big profits for the people of Manitoba. But that has not been the rule by any means, Mr. Deputy Speaker, but I don't deny that possibility exists, that that could happen. I doubt that the people of Manitoba really want to play that kind of high-risk game.

I think perhaps the Minister of Energy and Mines understands a little better what the real financial picture of SaskOil was and is, so his position has changed quite substantially from that put forward by the First Minister during the election. You recall, Mr. Deputy Speaker, I made reference to the various reasons why the First Minister said we were going to have the corporation; we were going to have it because other provinces were doing it; we were going to have it because it was going to make profits and churn those profits back into resource development and improve social programs and explore in northern areas, Hudson Bay and so on.

I think the Minister of Energy and Mines is a little more practical, at least, understands a little better in just what the financial picture will be because, on Page 262 of Hansard, when he introduced this bill, he said, "The Manitoba Crown Oil and Gas Corporation will be a junior. It will be a small company founded on long-term prospects, developed at a pace that we as Manitobans can afford." Perhaps that reflects an understanding that this corporation will go ahead largely as fast as the people of Manitoba can afford to advance it interest-free money. But then he goes on and he gives quite different reasons for the establishment of this corporation than were given to the electorate in 1981. One of his reasons is, it's to provide a window on the industry, and my colleague from Morris dealt briefly with that. I do believe it does raise the question, exactly what is it that the people of Manitoba are going to learn by having this window on the industry? What is it that they are going to learn that we don't already know or that we can't find out if we decide to find it out?

Secondly, the reason the Minister gives is to stimulate existing development and assist private juniors through joint ventures. Now, there was some reference to that by the First Minister when he announced the program in October of 1981, but it certainly wasn't put forward in that way. It was put forward in the way that we will have joint ventures in order to make a profit for the people of Manitoba. This reason, given by the Minister, is that this is to assist the private junior companies. Now, I'm not sure that the taxpayers of Manitoba are at all pleased with the prospect of laying out money to assist oil companies, whether they are juniors or whether they are not. But the point is that this is a different reason for the establishment of this corporation.

Thirdly, the Minister says, the purpose is to husband our resources through enhanced recovery projects and innovation. That was not one of the primary reasons given for the establishment of the corporation either, Mr. Speaker. We did more in our time to enhance recovery of oil by a change in the royalty structures. That did more to keep low-producing wells in production than I would expect to see from the Crown oil and gas corporation. An innovation? Who knows, Mr. Speaker? Who knows whether there will be innovation or not,

but one doesn't normally turn to a Crown corporation in this sort of an area to seek out innovation. One would expect to find innovation in the private sector where people are prepared to risk money.

Well, with the Minister giving these kinds of reasons, I want to know then, from the Minister, what has happened to the idea of making profits? Does the Minister still anticipate that there will be profits flow from this Crown oil and gas corporation to the people of Manitoba? Is this corporation going to be exploring in the North and in Hudson Bay as the now First Minister led us to believe during the election? I hope that the Minister will be able to tell us and if he does fully expect a profit, when does he expect that kind of a profit to be returned to the people of Manitoba?

**A MEMBER:** Saskatchewan people are still waiting.

**MR. B. RANSOM:** I think, of course, from a philosophical point of view, that is the wrong thing for the government to do and as well as the experience in Saskatchewan showing that it has been the wrong thing to do from a financial point of view, at least for the first eight years. The government would have been far better ahead, the taxpayers would have been far better ahead to put that money into treasury bills and they would have been millions of dollars ahead, Mr. Speaker, from they've done now.

Most people would look at the situation - and if the question was put to them, which would you sooner do, in which position would you sooner be, that of risking your dollars in a high-risk venture, such as oil exploration, or would you sooner be in the position of being able to impose a tax on those people who are successful? Mr. Speaker, I expect that most people would say, give me the opportunity to tax. That's the position I would like to be in and someone else can take the risk, because they're not all risk takers, Mr. Speaker. But what this government is saying is that we are better off to be in this high-risk game. We have a First Minister who is naive enough to say that there is very little chance of drilling dry holes and wasting the taxpayers' money. I think that demonstrates a certain naivety on the part of the First Minister, that he should say that, because there are many examples of investors who have banded together to invest in the oil industry with the prospect of making profits and they've lost their money, they've gone broke, Mr. Speaker. It's entirely possible that the Crown oil and gas corporation can go on for years. SaskOil has gone for eight years and it's cost the taxpayers about 15 million so far in Saskatchewan. Tomorrow, who knows? They might hit it big, that possibility always exists. But in the meantime, it's a drain on the taxpayers of Saskatchewan and I expect that this corporation is going to be a drain on the taxpayers of Manitoba.

But, I would ask the Minister - and I would hope that he will give this serious consideration - I would ask the Minister then to set up some mechanism by which the taxpayers of Manitoba can clearly identify the costs or the benefits of owning the Manitoba Oil and Gas Corporation. Either set it up so that it's got 10 shares at \$1 apiece and he provides the corporation with loans at an interest rate that's equal to the rate of money that a corporation would pay, or even that the

government would pay, or perhaps a better way would be to establish within Crown investments because he says he's bringing this forward as Minister responsible for Crown Investments, establish a portfolio within Crown Investments whereby he will identify the money that the taxpayers are putting into Manitoba Oil and Gas Corporation and that, yearly, it will show an accumulated interest cost of having \$20 million capital, or whatever the company has at the time and that when dividends come back from the corporation, if they do, those will also be shown. Then we will be able to know from a purely dollars-and-cents point of view what the Manitoba Oil and Gas Corporation has accomplished for the people of Manitoba because I believe that is why it was sold. That was how the idea was sold to the people, not the reasons that the Minister now gives, but the reasons that the now First Minister gave - profits. People believe that the oil industry is profitable and therefore it's good for the Crown to have a corporation and make some of those profits as well. So let's see how much money it is.

So I would ask the Minister to give serious consideration to finding some mechanism of doing that, because it is not the case with SaskOil. One cannot readily identify, to the best of my knowledge, what the costs have been to the people of Saskatchewan of carrying SaskOil.

A couple of other things that I would like the Minister to address when he closes debate on this bill, why is it necessary to have 200,000 shares, for instance, in a corporation where the government is, by law, going to be the only possible shareholder? Why is it that it is necessary to have a provision in this bill for a member of the Executive Council to receive additional remuneration for serving on the Board of Directors of the Manitoba Oil and Gas Corporation? We have a situation where the First Minister has said that whatever increase flows to his Members of Executive Council, as a result of their remuneration as MLAs, he will make an adjustment to the amount of money they receive as Cabinet Ministers, as Members of the Executive Council. I believe in the past that Members of Executive Council have served as chairmen of boards - MPIC comes to mind - and I don't believe they ever received any additional remuneration. Why is it necessary to begin now to introduce the concept of a Minister being paid more money to serve on the board of this corporation?

I think that's outrageous, Mr. Speaker, because I can begin to see a Minister being the big oilman at the expense of the taxpayers being paid — (Interjection) — an oilwoman, an oilperson? - at the expense of the Manitoba taxpayers. I find that to be entirely contradictory to the kind of appearances that the First Minister has been putting forward and telling the people of Manitoba that his Ministers are really suffering that they only took a 6 percent increase last year and so on.

This is the open door; this is the foot in the door. When are we going to see the amendments to the MPIC allowing a Minister to serve on the board and receive additional remuneration? Manitoba Telephone System - I see the Minister of Urban Affairs smiling at that prospect. I expect he thinks that my point is not valid but, Mr. Speaker, why then is this in the bill?

**MR. SPEAKER, Hon. J. Walding:** The Honourable Minister of Cultural Affairs on a point of order?

**HON. E. KOSTYRA:** No, Mr. Speaker, just a point of information. I was smiling because I enjoy listening to the Member for Turtle Mountain - not that I was smiling at the points that he was raising.

**MR. SPEAKER:** I believe that we don't have such a thing in this House as a point of information.

The Honourable Member for Turtle Mountain.

**MR. B. RANSOM:** Mr. Speaker, I'm sorry. It just attracted my attention when I saw the Minister of Urban Affairs smile; it is not a frequent thing and I got diverted. I should have been directing my comments to you, Sir.

I would like to see the Minister withdraw this provision from the bill, because if the Minister doesn't withdraw it I can assure you that we will have an amendment in the committee to withdraw this aspect from the bill, Mr. Speaker, because I think it is wrong that it should be in there.

So, Mr. Speaker, with those comments, I'll end the points that I wish to make on this bill.

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

**MR. H. ENNS:** Mr. Speaker, I beg to move, seconded by the Honourable Member for La Verendrye, that the debate on this bill be adjourned.

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

**MR. R. DOERN:** Mr. Speaker, I would like to speak for one minute and simply say that I understand. I mean, the point raised by the honourable member is a significant one, that never before have Ministers been given additional increments to serve on boards or commissions. That is even true today. The Minister responsible for the legislation informs me that this is in fact a drafting error so that, although it would appear on the surface that there would be additional remuneration, this is in fact not the case and that matter will be corrected and fully explained by the Minister.

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

**MR. H. ENNS:** Mr. Speaker, again, I call for the adjournment of this bill, seconded by the Honourable Member for La Verendrye.

**MOTION presented and carried.**

**MR. SPEAKER:** Is it the wish of the House Leader to move to Bill No. 16?

**HON. A. MACKLING:** Yes, Bill No. 16, Mr. Speaker.

## BILL NO. 16 THE OIL AND NATURAL GAS TAX ACT

**MR. SPEAKER:** On the proposed motion of the Honourable Minister of Energy and Mines, Bill No. 16, standing in the name of the Honourable Member for La Verendrye.

**MR. R. BANMAN:** Mr. Speaker, I adjourned this bill for my colleague, the Member for Turtle Mountain.

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

**MR. B. RANSOM:** Thank you, Mr. Speaker. This bill, which is an extension of a provision brought in by our government when I was Minister of Mines, provides an opportunity for a general review and debate of what has taken place in the oil industry in the province over the past number of years.

I would like to begin by reviewing, going back some period of time to the beginning of the 1970s, even in terms of what took place in oil exploration in Manitoba. I think most members will be aware of what happened in the 1950s, but they're perhaps not aware of what took place at the time that the Schreyer Government was elected in 1969, and the then Member for Inkster, Mr. Green, was Minister of Mines. Up until that time, the government had been following the practice of leasing land held by the Crown to the highest bidder, companies wishing to come in and drill and develop. In the early 1970s, I believe, that method of handling the government-owned rights was terminated. They were no longer made available to the private sector on a competitive bid basis. At approximately the same time, the government brought in a royalty structure which was uncompetitive with both Saskatchewan and Alberta. At the same time, the government began their own program of oil exploration and development.

Perhaps this is something that some of the New Democratic Party members are unaware of, that the government really was involved; that this plan to go ahead with the Manitoba Oil and Gas Corporation is not the first time that the New Democratic Party Government has been involved in oil exploration, because at the same time as they changed the method of holding the land and changed the royalty structures, they also began to work partly on their own in drilling holes, drilling wells - holes, most of them turned out to be - and partly through joint venturing with the private sector using the vehicle of Manitoba Mineral Resources Limited.

During the period of 1973 and up to 1978, as some of these initiatives overlapped, hadn't quite finished up by the time we took over government in 1977, the government through Manitoba Mineral Resources, had been involved in the drilling of 54 oil wells in Manitoba. I'm not sure all of the members of the House would be aware of that. They also had funded directly the drilling of two wells. Now out of that kind of investment of more than \$1 million, the government and their private-sector partners had come up with eight marginal producers, and the rest were dry holes.

Now, recall what I said when I spoke on Bill 4, Mr. Speaker, that the now First Minister, in promising Manoil in October 1981 said there was very little chance of drilling dry holes and wasting the taxpayers' money. The record of the Schreyer Government involvement in oil exploration was 56 holes drilled and eight producers. By my rough calculation that comes very close to 48 dry holes. So I think there's quite a problem, Mr. Speaker, that stems from a lack of the government understanding what has gone on.

Now, it's interesting to follow the record of those wells that they drilled, and the ones that became producers because if one looks at Manitoba Mineral

Resources Limited in the Annual Report for 1980-81, it says that of the wells that the company, the Manitoba Mineral Resources had with Barrie Petroleum Limited, there were five wells jointly owned. The fifth well ceased production in October of 1980 - not an especially long life. The government recognized an income from the four producing wells of \$1,403 and that was not derived from the equity position, that was derived because the government had an overriding royalty on those four wells. So their equity position in those five producing wells starting at the beginning of the year didn't return them a cent. There was in fact a loss on them but because of the overriding interest in them they were able to make \$1,403.00.

Then there were three wells that they had. The other three were with Copperhead in the Pearson area, and Manitoba Mineral sold its interest in those three wells that year, because at the time of the sale Manitoba's share of the operating loss was \$9,384.00. Those wells were losers and the company got rid of them and they got 35,000-and-some back from them.

Now in the 1981-82 report, an update on that - now there are only three of the five wells producing that the government had jointly with Barrie Petroleum. Three of them are producing and Manitoba Mineral's share of production resulted in an income of \$1,015 in 1981-82.

So we now have a situation where over the period of time since the government invested over \$1 million in oil exploration in the Schreyer years, the total return to the government has been \$94,000.00. Now that's not very much of a return for over \$1 million invested over the period of years, over a decade that they've had it invested. That's simply an example of the kind of risk that is involved in oil exploration.

I don't say that if the private sector had drilled those 56 holes they would have done any better, but that's the kind of risk that's involved and it doesn't warrant the now First Minister saying that there is very little risk, there is very little chance of ManOil drilling dry holes and costing the taxpayers money, because the record simply doesn't bear that out, Mr. Speaker.

Now, if members would care to refer to the Annual Report of the Department of Energy and Mines there are some very interesting statistics in that report and anyone who has an interest in it should look at them. They refer to Table 6, for instance, it shows how new oil producers, none in '73; seven in '74; two in '75; three in '76 and so on. This is what was happening in the oil industry in Manitoba in those years when the New Democratic Party under Mr. Schreyer were pursuing their brand of oil development. That's the total, that's not just their involvement, that's the whole private sector operating in Manitoba. At the same time as there were seven new producers in 1974 there were 30 wells abandoned; in 1975 when there were two new producers there were 12 wells abandoned; in 1976 when there were three new producers there were 24 wells abandoned; in 1977 when there were seven new producers there were seven wells abandoned.

So during that period of time, the Schreyer years, with their method of encouraging oil development, we were losing. We were losing numbers of wells and, of course, production is going down because some of the wells are aging as well as those going totally out of production. That was a legacy of Mr. Green's and the

Schreyer Government's policies of encouraging oil development in Manitoba.

This is where we took over in 1977 and we said at that time, we're going to encourage oil development in a different way. We said in 1977 we were going to establish royalties and taxation levels that were comparable with Saskatchewan and Alberta because we said it's hardly possible, it's hardly probable to think that an oil company is going to leave the big plays in Saskatchewan and Alberta and come to Manitoba when Manitoba has higher royalties and taxation in place.

We said we'll make them competitive. We said that it is not the normal practice for a government to insist that the only way an oil company could gain access to lands, to rights held by the province, would be through joint venturing. That is something that simply was not common to the industry, however much the members opposite might like it to be the case - it wasn't the case - that wasn't the way things were done primarily. We said we'll change that. We're going to go back to making rights available on a competitive basis, and we made those changes basically in December of 1978, and I'd like to take a few minutes, Mr. Speaker, to read to the members from a press release which I made on December 8, 1978.

I would hope that some of the members opposite might be interested in following the course of events that had taken place. The press release was headed, "Increased Petroleum Exploration Expected - New Policies Designed to Encourage Drilling". The first paragraph said, "Increased petroleum exploration and ultimately greater provincial revenues are expected to result from changes being made in regulations governing royalties and the disposition of Crown oil and gas rights." And they said, "The three changes involved public sale by tender of exploration rights where the Crown owns the rights, specific time limits for carrying out drilling and production, and reduced royalty rates on new wells related to extensive drilling."

Now that was a definite policy that was being pursued by our government, and I'm happy to say at the time that I was the Minister of Mines, and I would draw to the attention of the members opposite and the First Minister if he would care to harken back to the comments that he made in October of 1981, he said, and this again is quoting from the Free Press article of October, 1981. The article says and I quote, "Sporting a ManOil hard hat, Pawley said the failure of the Lyon Government to establish a Resources Program is one of its worst mistakes." Mr. Speaker, the now First Minister said at that time, we did not have a resource development policy.

I point out to the First Minister that the resource development policy with respect to oil was implemented towards the end of 1978. We made the statement, exactly what we were doing, and what we expected would happen. We said, "It is expected that revenue from sales of exploration rights will be around \$1 million annually for the next year or two." We said that the reduced provincial revenues would cost approximately \$30,000 per month because of the adjustments in the royalty structure, but we said, "However, this will be offset by revenue from sales and from royalties that will accrue from new wells that are expected to result from increased explorations." We laid it on the line, Mr. Speaker, of what we were going to do.

I recall in my Estimates that year, coming into the House, and I had a map at the time which I used to explain to the members and I tabled a map at the time and it was called the "Well Location Map." This was in 1979 that I tabled that, so the updated version is somewhat different than it was at that time. But I said to the members, "Anyone who looks at the situation on the ground in southwestern Manitoba will see a very clear pattern." I held it up, as I'll hold it up now, and said that an area 7 miles wide in North Dakota, based against an extension of the Saskatchewan Boundary into North Dakota, and then extending east, that an area 36 miles long and 7 miles wide, at that time, showed that 335 oil wells had been drilled in that space during previous years; that there were 120 producing wells as a consequence of those 335 being drilled. Then I said, move exactly across the border and take a look at an area 7 miles deep and 36 miles long, and we would find that there had only been 79 wells drilled in that area, and only 21 producers. I'm not going to table this map, Mr. Speaker, but any member who wishes to have a look at it is welcome to do so.

It's very evident there's all kinds of oil wells immediately south of the North Dakota border, and north there's very little, and I said at the time, what's going on? There is some reason why development hasn't taken place in Manitoba, but I don't think it's because the formation happens to conform exactly with the 49th parallel. There has been something different in North Dakota than has been the case in Manitoba. People have been willing to invest money and drill holes in North Dakota, and I said at the time, what we are going to do, is make changes that will encourage people to drill holes in Manitoba and we're going to get some oil wells as a consequence of that.

Well, I used to have some interesting discussions at that time with the Member for Inkster. We didn't spend a lot of time on details but we did debate the philosophy of it to quite an extent. The Member for Inkster then said, nonsense, where there's oil they'll come and it doesn't make any difference who's in government. It doesn't matter whether it's NDP, or whether it's Conservative, they're going to be there he said, and any changes that you make aren't going to help.

I can't just lay my hand on the exact quotation that he made at the time, but since he left the members opposite - I won't spend much time on that - but what I would like to do is give the members opposite a quotation from their Leader, because he is still with them even though he says some of his Ministers are naive and doesn't support them all the time, he's still their Leader.

So what did he say? This is Page 978 — (Interjection) — Yes he did, didn't he? This is Page 978 of the 1979 Hansard. The Minister of Energy and Mines doesn't really want people to hear this quotation that their First Minister made, but this is after we had very clearly said what we would do and what would happen.

The now First Minister, Mr. Pawley, said and I quote: "Mr. Chairman, if the Minister is of the view that by offering some tax concessions, which I believe the Minister himself has suggested will be modest in nature, that suddenly there is going to be a flood of oil company activity in this part of Manitoba, then indeed he is a foolhardy visionary." There was the comment of the now First Minister. He said we would be foolhardy

visionaries to think that our programs were going to result in increased exploration.

I point out to the members opposite that what we did for the oil industry and what the Minister is now asking you and this House to extend was something that did not take one nickel out of the taxpayers' pockets. All it did was say you come to Manitoba; you invest your money; you find some oil; you produce some money; we'll allow you to keep some of that money for a little longer than would otherwise be the case. We didn't ask the people to go out and borrow \$20 million, as this House is being asked to do this year, when we have an unprecedented deficit in order that they can put it into a high-risk venture. No, we didn't risk a bit of it.

What happened — (Interjection) — and I hear the Minister of Municipal Affairs saying it's because of the prices. I would like to tell the Minister of Municipal Affairs that it is not because of the prices, because he will find if he examines the record that what happened in Manitoba when Manitoba's oil industry, small as it is, was booming, Saskatchewan and Alberta were on the decline. Those high prices applied in Saskatchewan and Alberta just as they applied in Manitoba. If this development in Manitoba was to come about as a consequence of the national energy policy and higher prices, etc., then one would have expected to see that same kind of development taking place in Saskatchewan and Alberta and that was not the case. They pulled out. They came to Manitoba, because there was a program in place here which encouraged them to come.

I would like the members again to refer to the Annual Report, which the Minister of Energy and Mines has tabled, and they will see some very dramatic information. If they turn to Page 19, for instance, there are some graphs on Page 19 showing the new producers and the previous producers abandoned. It shows, as the impact of our changes began to be felt, how the number of new producers went up and how the number of old producers abandoned, declined. The lack of the old producers going out of business, of course, was because we adjusted the royalties at the lower level to say that you don't have to pay a royalty on a well that is producing below a certain level of production. Therefore, it kept them producing oil.

Look at that report. The Minister has the report, Page 19, for some of the graphic information, Page 30 — (Interjection) — yes, the Minister was. I congratulate the Minister for putting the information in, and he has acknowledged the success of this program by the simple fact that he is asking for the extension of that program. The point I'm making, Mr. Speaker, is we had a program of resource development, contrary to what the then Leader of the Opposition said. The Leader of the Opposition said, we were foolish visionaries to think that our program was going to work. Look at the facts and one will see exactly what has happened.

The new oil producers, Mr. Speaker, were seven in 1977; 10 in 1978; 11 in 1979; up to 18 in 1980; 38 in 1981, and I'm sure the Minister could tell me how many there were in 1982. I am supposing it would be well over 100.

**HON. W. PARASIUK:** Yes, 120.

**MR. B. RANSOM:** A hundred and twenty, the Minister says. That is what has happened as a consequence of the policies that we brought in.

Now, we made other promises, Mr. Speaker. We said that even though we were going to forgo some royalties that they would be offset by the amount of money that would be attained through the leasing of rights. Again, if you look on Page 30, you'll see that from 1973, which is the earliest year shown here, through to 1978, there were no sales of rights and so the people of Manitoba didn't get a nickel from them. But for '79 and '80 and '81 - again this doesn't include '82 - you will find that the people of Manitoba, from the reservation sale bonuses and from lease sale bonuses netted over \$4.5 million. That's what I predicted would happen in my press release in 1978. I said we'll get approximately a million dollars a year and, foolhardy visionary that I was, I went out on a limb and said that's what would happen. I said also at the same time that the royalty provision, the royalty revenues that we would be forgoing, would be offset by the royalties from the new wells that were coming into production. Indeed, that has been the case.

As a further example of the success of those policies, one need only look at the last line on Page 30 which lists the expenditures by the industry. It went from 18.9 million in 1977, to 27.9 million in '78, to 31 million in '79, to 38.3 in 1980, to 55.2 in 1981. Again, I don't know what 1982 was, but I would expect that it's substantially higher than that. This was probably the most successful initiative that was undertaken by our government in the area of resource development. It was very clearly planned out as to how we would approach it and the results have been as we anticipated they would be.

Now, the members opposite can argue that it was due entirely to something else, that's fine. The fact of the matter is, Mr. Speaker, we said it would happen and it did. I want to be able to measure five years from now or 10 years from now how successful the Manitoba Oil and Gas Corporation has been, so we want to see all the information up front. — (Interjection) — If what we did was not important - the Minister of Energy and Mines doesn't really like to listen to this, he keeps wanting to throw in some other subjects into the debate, Mr. Speaker. That's fine, he can do that. But if he doesn't believe that what we did was worthwhile then why is he asking now for the extension of - well, the Minister says, he didn't say that, perhaps he didn't subscribe then to the statement of the First Minister that we were foolish visionaries by thinking that this kind of measure was going to have any significant impact.

But what the Minister said when he introduced the bill in December, he said that this program in conjunction with corresponding amendments to the Crown royalty regulations under The Mines Act - as an interjection that's something the government has to do simply to equate the other side of the Crown-held rights to put both the Crown-held and privately-held ones on the same basis - he said, "In conjunction with corresponding amendments to the Crown royalty regulations under The Mines Act and the new oil reference price, the arrangements which come into effect January 1st will provide a continuing powerful stimulus to the oil industry." Those are the words of the present Minister.

Then he said, "The oil and natural gas incentives which presently expire by legislation on December 31, 1982 are being extended by this legislation for the four-year period January 1, 1983 to December 31, 1986. We believe these new tax and royalty incentives will greatly help Manitoba and the oil companies participating in the development of our resources. We believe that his amendment will provide for longer term stability and predictability for the oil industry operating to Manitoba and thus will add to the long-term development of the oil industry in Manitoba."

Mr. Speaker, that's the Minister of Energy and Mines serving in the government of the New Democratic Party headed by the Member for Selkirk, Mr. Pawley, who said, Tuesday, March 13, 1979, referring to these exact same regulation changes, legislative changes, that the Minister is now asking the House to approve, I will quote again, he said, "Mr. Chairman, if the Minister is of the view that by offering some concessions, tax concessions, which I believe the Minister himself has suggested will be modest in nature, that suddenly there is going to be a flood of oil company activity in this part of Manitoba, then indeed he is a foolhardy visionary."

I really want to see the First Minister come in and vote on this. I'm going to take some satisfaction in watching the First Minister vote for the bill which the Minister of Energy and Mines has rightly brought into the House because he's recognized how important it was. Mr. Speaker, I am proud, and we are proud, on this side of the House, at the success that was achieved through the changes that our government made and I'm sure the Minister of Energy and Mines understands full well why what's happening is happening there today. We thought it was good at the time and we fought it through against the kind of comment that we were getting from the Leader of the New Democratic Party. We had them going out during the election and telling the people that we were giving away the resources of the province. I'm sure that my colleagues will recall all the allegations of giveaway of resources; giving away the resources to Abitibi Paper, for instance, Mr. Speaker, saying that operators had been put out of business. Then when we asked the Minister of Natural Resources how many had been put out of business, he said, none. None had been put out of business.

The Minister of Natural Resources didn't quite catch that, I'll repeat it for his benefit. The New Democratic Party in opposition accused the government of giving away the forest resources on the east side of Lake Winnipeg to Abitibi Pulp and Paper. That was the accusation that was made. During the election, the specific accusation was made that operators were put out of business because we had given the rights to that area to Abitibi Pulp and Paper. And we went into the Minister of Natural Resources Estimates last year and we asked him how many operators have been put

out of business, and the Minister of Natural Resources said, none.

We asked the First Minister in his Estimates, how could he make the statement that we were giving away the resources when those were the facts? Now we have the First Minister dealing with something like this, saying it was a foolhardy thing to think that this kind of a policy was going to be able to encourage any sort of development.

Well, Mr. Speaker, the facts will speak for themselves. I'm happy to see that the Minister is bringing forward this amendment and we certainly are going to be supporting them and I would hope that he will follow the commitments that he has made and not listen to anything the First Minister might say about the oil industry, because I don't think he understands it, but that he should make certain that he does not do anything with Manitoba Oil and Gas Corporation which is going to detract from the investment climate which we created and which this Minister is now perpetuating.

If he refrains from doing that, then we will continue to have exploration and development. But that will require him to have Manitoba Oil and Gas Corporation operating on a truly competitive basis and not be given the inside track on anything, not be given a lot of interest-free financing, at least without the designation, the pointing out of the cost to the people of Manitoba - somewhere identifying. If the Minister does that, then hopefully, and I'm confident that will be the case, then we will continue to have oil development in Manitoba and it's the one bright place that exists in the resource development picture of this province at the moment and I'm proud that the members on this side of the House were instrumental in bringing that about.

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

**MRS. G. HAMMOND:** I move, seconded by the Member for Portage la Prairie, that debate be adjourned.

**MOTION presented and carried**

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

**HON. A. MACKLING:** Mr. Speaker, I think it is close to 12:30. We could deem it 12:30, by agreement, and by mutual agreement, Private Members' Hour will not be had.

I move, seconded by the Honourable Member for Turtle Mountain that this House do now adjourn.

**MOTION presented and carried** and the House adjourned and stands adjourned until 2:00 p.m. on Monday afternoon.