



**Third Session — Thirty-Second Legislature**  
of the  
**Legislative Assembly of Manitoba**

**DEBATES**  
and  
**PROCEEDINGS**

33 Elizabeth II

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authority of  
The Honourable D. James Walding  
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, Hon. 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, Hon. John M.</b>	Gimli	NDP
<b>CARROLL, Q.C., Henry N.</b>	Brandon West	IND
<b>CORRIN, Q.C., 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	IND
<b>DOLIN, Hon. Mary Beth</b>	Kildonan	NDP
<b>DOWNNEY, 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, Hon. 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, Hon. 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, Hon. 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

Wednesday, 9 May, 1984.

Time — 2:00 p.m.

**OPENING PRAYER by Mr. Speaker.**

**MR. SPEAKER, Hon. J. Walding:** Presenting Petitions

## READING AND RECEIVING PETITIONS

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

**MR. CLERK, W. Remnant:** The Petition of Central Trust Company and Crown Trust Company, praying for the passing of An Act respecting Central Trust Company and Crown Trust Company.

## PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

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

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

I move, seconded by the Member for Flin Flon, that the report of the Committee be received.

**MOTION presented and carried.**

## MINISTERIAL STATEMENTS AND TABLING OF REPORTS

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

**HON. J. BUCKLASCHUK:** Mr. Speaker, I have a ministerial statement.

Mr. Speaker, I am pleased to announce that Manitoba Housing has developed a three-year construction plan to provide accommodation for 1,200 families and seniors at a capital cost of some \$60 million. Approximately one-half of these 1,200 units have been designated for Winnipeg with the balance being designated for other urban centres.

This plan demonstrates the priority being placed on housing. The identification of specific communities will allow staff to discuss various shelter alternatives with local officials. A period of three years also provides more adequate lead time for acquiring or for rezoning available land.

A total of 405 units are proposed for construction during the 1984-85 fiscal year. This figure represents a dramatic increase from the 220 units initially allocated to the province by Canada Mortgage and Housing Corporation.

The atmosphere of close co-operation which has been developed between Canada Mortgage and Housing Corporation and the staff of Manitoba Housing is responsible for this increase in our allocation - which

is primarily based on an agreed assessment of our local need and on our commitment to delivery.

The three-year plan calls for 400 units to be built during 1985-86 and 395 units the following year. These figures are targets, it is projected that CMHC will maintain the current level when allocating non-profit housing units to Manitoba in the future. Our plan is contingent on CMHC's continuation of funding under the public non-profit program and upon future allocation levels similar to those received this year.

In addition to the 1,200 units earmarked for larger urban centres, approximately 100 units will be built each year in communities with populations under 2,500. Private non-profit groups will continue to receive financial assistance for housing projects. Shelter allowance programs will also be provided to make rents in the private sector more affordable for low-income families and seniors.

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

**MR. R. NORDMAN:** Mr. Speaker, I take this opportunity to thank the Minister for his announcement, and I know on this side we're anxious to see how it develops. More subsidized housing I don't think we need, but I think we can live with this.

One of my concerns, Mr. Speaker, would be that, and I notice that the Minister has made mention of it in this announcement, that communities under 2,500 will be taken into consideration on this. I think this is a good move on their part. I can't help but give them our thoughts on it and that is that it's a good move.

Thank you, Mr. Speaker.

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

**HON. H. PAWLEY:** Mr. Speaker, I'd like to make a statement and have copies here. I would like to make a brief statement on the Western Premiers' Conference which was held in Kelowna Monday and Tuesday of this week. The conference was productive and worthwhile. We covered a great deal of ground and reached agreement on several key points.

Premiers Bennett, Lougheed, Devine and I issued three communiques: One on international trade; a second on transportation; a third on economic growth and development. I will table copies of those communiques, as well as a document which Manitoba distributed prior to the conference to provide background on some of our economic development initiatives. These communiques speak for themselves. But I would like to draw members' attention to several points in the communiques which are of particular importance to Manitoba.

The international trade communique stated that: "Expanded trade is necessary for a sustained economic recovery and would assist in furthering job creation, resource upgrading and the diversification of the western Canadian economy." On Page 4 of the trade

communiqué, there is a statement urging the Federal Government "to act promptly on the reference to duty-free zones made in the federal Throne Speech of December 7, 1983." On Page 6 is a reference to improved trade with the Pacific Rim, our plans to participate in Expo 86, and our efforts to strengthen trading relationships between the western provinces and neighbouring states.

In our second communiqué, on transportation, we urged strongly "That the full expansion of rail capacity, which was intended to follow the passage of The Western Grain Transportation Act, proceed according to previously announced plans." On Page 2 of the transportation communiqué is a section referring to the importance of the Canada-Manitoba Churchill Development Agreement. I am pleased to report that the other western Premiers welcomed the new agreement and, as the communiqué notes, directed their Ministers responsible for transportation to work with Manitoba in reviewing the Churchill initiatives and considering options for further action to support Churchill's long-term development. We, in turn, will be discussing with them the need for other port improvements on the West coast.

The third communiqué, and perhaps the most important, deals with economic growth and development. In line with our own Throne Speech and Budget, all four provinces agreed "that the economic priority of governments must be to facilitate sustained economic growth and the creation of new, permanent jobs."

We also noted that each of the western provinces "has made significant progress in reducing deficits, adopted policies to control the cost of government services."

We stressed as well the importance of small business sector, improved training programs, and greater flexibility in the tax system to enable us to target tax support for key sectors of the economy, just as we did in our Budget.

Another section of the communiqué also reinforced a key point in the Manitoba Budget. The section on deficit reduction on Page 4 begins with the following words: "The Premiers reiterated their commitment to controlling and reducing their deficits as the economy strengthens. They emphasized the distinction between borrowing for current expenditures, which must be systematically reduced, and borrowing for capital expenditures, that increased the productive capacity of the economy."

The communiqué also referred to our continuing concern about interest rates and our agreement that "Canadian interest rates must be sensitive to economic conditions in Canada."

We also agreed that the new Economic and Regional Development Agreements with the Federal Government should be used as "key instruments for co-ordinating federal-provincial economic development initiatives." Again, this is consistent with our development strategy.

There were, of course, some issues on which we were unable to agree. One, as expected, was the charging of user fees for Medicare. We also did not issue a joint statement on energy policy, although we had a good discussion of this subject - a discussion which will continue in months to come. Overall, I think it is fair to say that all four provinces were very pleased by the results of this conference.

We set out some key priorities for western development, at a time when there is increasing attention being paid to western concerns at the national level. And at the same time we signalled our readiness to work together, to co-operate, with each other, with other provinces, with the Federal Government and with the private sector in pursuing economic development priorities.

Yesterday, I believe it was Premier Lougheed who stated that the Kelowna Conference was one of the best Western Premiers' Conferences he had ever attended. I, of course, have attended fewer of these meetings, but I have no trouble agreeing with his assessment.

The conference was a successful one, and in the coming months all four western provinces will be working together to build on the progress we achieved in the past two days.

Thank you, Mr. Speaker.

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

**MR. G. FILMON:** Thank you, Mr. Speaker.

We, on this side of the House, thank the Premier for giving us that progress report about the Western Premiers' Conference. We are pleased to hear from the Premier that it was a success and that he felt it had been worthwhile, because we were disturbed by reports prior to his leaving in which he indicated that he did not believe that there was a role for these conferences to play, but in fact he found them in the past not to be productive and that in the past they had not been very fruitful. Perhaps in the past the Premier was not listening or not participating to the fullest extent, and we're pleased to hear today that indeed he did find some merit in it.

Because there's no question Mr. Speaker, that given the voting power and the power of the numbers of seats in Parliament that is held by Eastern Canada - Quebec and Ontario principally - it is important for western provinces to get together and to discuss items of mutual concern and to speak as one voice on issues that concern Western Canada.

Mr. Speaker, I am also pleased at the commitment of this Premier to work together with his counterparts in the other western provinces, because I believe that only through that sort of commitment and not being tied to old ideologies and different commitments, this is the way it will have to work on behalf of the people of Manitoba, Sir, as well as the people of Western Canada together.

Mr. Speaker, I find it interesting that this Premier committed his government to reducing deficits when they have just brought in a matter of days ago a Budget that reduced our deficit from \$491 million to just \$488 million, an almost insignificant reduction in deficit, yet this Minister goes and says at Premiers' Conferences that he is committed to reducing the deficit. I find that to be interesting and a contradiction in terms, Mr. Speaker.

As well, I find it interesting that this Minister agreed in a communiqué to the assertion that the small business sector and the private sector were important in future job creation efforts when his government has brought

in such things as the payroll tax that have been damaging, a disincentive towards private sector job creation, when his government has spent most of its efforts in the past year on the Jobs Fund in the public sector, totally ignoring the private sector and its role in job creation and economic development in this province. So perhaps, Mr. Speaker, there is indeed a deathbed repentance and an acknowledgement on the part of this Premier that there is a role to be played by our private sector here in Manitoba.

Mr. Speaker, I find it interesting as well from the communiques that the Premier has quoted that expanded trade is necessary for a sustained economic recovery. Indeed, I believe that we on this side would concur wholeheartedly with that assertion. The problem is, Mr. Speaker, that at the same time as they are making that assertion, this government has released a White Paper that proposes to bring in very restrictive labour legislation, very anti-business, anti-investment labour legislation that will make us non-competitive with other jurisdictions. At a time when our dollar differential should make markets in the United States attractive to our Canadian manufacturers, we are finding them being sabotaged and negatively affected by this government's actions in terms of the payroll tax, in terms of the White Paper and everything else.

I find it interesting, Mr. Speaker, that this First Minister can speak out of both sides of his mouth, one side when he's in Kelowna speaking with other Premiers, other knowledgeable people, and the other when he's in Manitoba dealing in realistic terms with Manitoba's problems. So, Mr. Speaker, we will have more to say and more questions to ask of this First Minister with respect to the things that he has agreed to, and with respect perhaps to some of the things to which he has not agreed.

Thank you.

**MR. SPEAKER:** Order please.

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

## INTRODUCTION OF GUESTS

**MR. SPEAKER:** Before Oral Questions, may I direct the attention of honourable members to the gallery. We have 28 students of Grade 6 standing from the Shaughnessy Park School under the direction of Mrs. Restall. The school is in the constituency of the Honourable Member for Inkster.

There are 55 visitors from the Colonel By Senior Band from Ottawa, hosted by the John Taylor Collegiate. They are under the direction of Mark Gable and Mr. Shaver, and the school is in the constituency of the Honourable Member for Assiniboia.

There are 47 students of grade 9 standing from the Ken Seaford Jr. High School, under the direction of Mr. Sawiak. The school is in the constituency of the Honourable Minister of Labour.

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

## ORAL QUESTIONS

### Expo '86

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

**MR. G. FILMON:** Thank you, Mr. Speaker.

My question is for the Premier and it follows upon his report on the Western Premiers Conference in Kelowna.

I ask the Premier, it's my understanding from reports in the media, that he has committed our province to participate in the Expo to be held in British Columbia, and I wonder just what will be the nature of our provincial participation and what will be the cost?

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

**HON. H. PAWLEY:** I thank the Leader of the Opposition for his question.

We have indicated, like I believe, every province in Canada, that we will be participating in Expo '86. The details of the extent of participation, the amount of cost that will be allocated towards the participation has not yet been finalized and will be announced in due course, Mr. Speaker.

## Hydro power - sale of

**MR. G. FILMON:** A further question on the same conference, Mr. Speaker.

To the Premier, was he able to raise the topic of the Western Electric Grid with his counterparts, the Premiers of Saskatchewan and Alberta, during the course of the meeting?

**HON. H. PAWLEY:** I did, certainly, take the opportunity to raise the question of the electrical power and the fact that we were prepared again to sell electrical power. I indicated, in some detail, in fact, Mr. Speaker, the success of the negotiations completed by the Honourable Minister of Energy, by which some \$3.2 billion of hydro power will be sold to Northern State Power over a 12 year period.

Mr. Speaker, I received an indication from Alberta and Saskatchewan that again, as did the Honourable Minister of Energy some weeks ago, due to their own economic situations in their provinces, where they were not in any position at this point until they have fuller economic recovery from the unfortunate events of the last several years, to obtain power.

## Western Premiers' Conference

**MR. G. FILMON:** Mr. Speaker, we're naturally disappointed that the Premier did not have any additional persuasive powers over those of his Minister of Energy.

Mr. Speaker, my next question is what other items, other than those covered by the summary that the Premier lodged with us, were raised by Manitoba at the Western Premiers' Conference?

**HON. H. PAWLEY:** Mr. Speaker, if the Honourable Leader of the Opposition will refer to the document which I tabled a few moments ago, he will find within that document, the position paper tabled by the Province of Manitoba. During the course of the proceedings, we had opportunity to talk about our economic development thrust in the Province of Manitoba. I had the opportunity to talk about the Hydro

sale mentioned a few moments ago. I had the opportunity to speak in terms of our emphasizing the development of energy-intensive industries, the role that public investment had undertaken in the Province of Manitoba, working with the business and municipal and federal sectors. I had the opportunity to talk about federal-provincial co-operation and the importance, Mr. Speaker, of us setting aside our partisan and jurisdictional differences to the extent that is humanly possible within the political world to achieve results for Western Canada, particularly at this point.

Mr. Speaker, I could go on and on in respect to the many points that were raised. The Port of Churchill of course, as the honourable member notes in the communique, was raised by Manitoba and we were pleased by the positive response from Alberta and Saskatchewan that both indicated an interest in pursuing the benefits that could be derived for Alberta and for Saskatchewan from improved upgrading of the Port of Churchill and the total western economy.

So, Mr. Speaker, I think the Honourable Leader of the Opposition will find considerable detail in the document that was also tabled at the conference that I believe the Honourable Leader of the Opposition has possession of now.

**MR. G. FILMON:** Mr. Speaker, I was not looking for a summary of the self-serving kinds of announcements that the Premier was making to his counterparts. What I was wondering, Mr. Speaker, was if there were any topics that the Premier raised with his counterparts seeking their co-operation or support in developing on behalf of Manitoba's interests.

**HON. H. PAWLEY:** Mr. Speaker, I wonder what the people of Churchill will think when they read in Hansard or have an opportunity to hear through the media that the Leader of the Opposition referred to a statement and a position taken by this government at the Kelowna Conference in respect to upgrading and improving the Port of Churchill, ensuring maximum use of that Port of Churchill by the Provinces of Alberta and Saskatchewan, as being self-serving. Mr. Speaker, I think that the people of Churchill will have their own thoughts in respect to those particular comments.

Mr. Speaker, the points that I raised in respect to the brief that was submitted at that conference were, in fact, positions. I must say I found much more common ground amongst a number of the provinces west of us than I find in this Legislature in respect to realizing the needs and the pressures and challenges that are faced by western Canadians at the present time and their preparedness to work together in a common pursuit, regardless of political stripe, to resolve some of our economic and social problems.

### **Citadel Life Assurance, The**

**MR. G. FILMON:** Mr. Speaker, a further question to the Premier on a different topic. Has he or his government been given notice of the transferring of the head office administrative functions of one of the life insurance companies currently located here in Manitoba?

**HON. H. PAWLEY:** Mr. Speaker, we've been given notice of the integrating of the two head offices of Citadel Life Assurance, yes.

**MR. G. FILMON:** Can he confirm, Mr. Speaker, that this will leave or result in a loss of up to 100 jobs to Manitoba as a result of this decision to transfer operations to Toronto from Winnipeg?

**HON. H. PAWLEY:** Mr. Speaker, the company itself will provide the full particulars, but the majority of the staff of 112 employees in Winnipeg will be offered positions in the Citadel Assurance Company in Toronto. I want to just add, Mr. Speaker, that in meeting with the president of Citadel, he emphasized the fact that the decision to transfer its life operations was to integrate the offices in Toronto and in the City of Winnipeg, a situation which they were required to undertake as a result of the purchase by Citadel in 1977 of the original life insurance company which they agreed under the FIRA undertaking to continue for a five-year period, and the integration was made on the basis of management decisions, cost economy decisions from a joint operation being consolidated into one. They also emphasized to us that they recognized that the company operations were indeed more economic to operate in the Province of Manitoba, but that the majority of the employees are presently located in the Province of Ontario and only 5 percent of the total business of Citadel is in the Province of Manitoba.

**MR. G. FILMON:** Mr. Speaker, in view of the fact that this decision results in the loss of 112 jobs to Manitoba, and in view of the fact that the life insurance industry in aggregate in Manitoba is responsible for 3,500 jobs on a direct basis and as many as 11,000 jobs on an indirect basis, will the Premier and his government now abandon their ill-considered intention to get involved in the life insurance industry in Manitoba and not place in jeopardy the remaining jobs of the insurance industry here in Manitoba as a result of their ill-considered proposal?

**HON. H. PAWLEY:** Mr. Speaker, I sensed that the Honourable Leader of the Opposition might pose that very question because that would be expected from the Leader of the Opposition, so I asked the chairman of the board and chief executive officer of Citadel Assurance Company whether in fact that had any impact whatsoever - Dr. Silvio Caflish, spelled C-a-f-l-i-s-h. He confirmed to me, and I have every reason to believe him, that he wasn't even aware of the announcement pertaining to life insurance in the Province of Manitoba until after the decision had been made. — (Interjection) — Well, Mr. Speaker, if the honourable member wants to say that he doesn't believe in the integrity of the president of Citadel Assurance Company, that is for him to put it on the record.

Mr. Speaker, I believe the president of Citadel Assurance Company that the decision was totally unrelated, didn't enter into the picture, because they weren't even aware of the study at the time that the decision was made to transfer the Winnipeg office.

### **Legislative Building - security**

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

**MR. R. DOERN:** Mr. Speaker, I'd like to direct a question to the Minister of Government Services. In view of the

carnage in Quebec and other incidents which have occurred in Legislatures and Parliaments across this country - and I might mention, Mr. Speaker, that it was probably about 10 years ago that a Manitoba civil servant had his hand blown off as a result of a clock mechanism that was sent in a package, and I also would mention that the former Premier of Manitoba, Ed Schreyer, was a member of the House of Commons when a madman went into a washroom to set up a bomb to throw into the House of Commons to wipe out the government, the Members of Parliament and so on . . .

**MR. SPEAKER:** Question.

**MR. R. DOERN:** Mr. Speaker, in view of these events and other potential dangers, will the government be tightening up or beefing up security provisions in this building?

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

**HON. A. ADAM:** Mr. Speaker, we are awaiting a full report on what has happened in Quebec. Of course, we are all shocked to hear what did happen there. However, until we know the full facts of the case and what kind of person we were dealing with in the Province of Quebec, we don't think that we should be pushing the panic button at the moment. We have full confidence in our security staff at the present time. We've had an open door policy for quite some time and I don't think that we'd want to turn this place into an armed camp, Mr. Speaker. I believe that our security measures here are adequate and have been in the past. Yes, we've had the odd bomb threat in the past and so on, but most of this is just on the spur of the moment thing I believe and certainly we will be reviewing the situation; we will be looking at what other jurisdictions are doing in this respect. It does become very difficult, Mr. Speaker, if you want to prevent such a happening that has occurred in Quebec, I think it's almost impossible to guard against such situations.

**MR. R. DOERN:** Mr. Speaker, does the Minister not realize that a so-called open door policy . . .

**MR. SPEAKER:** Question.

**MR. R. DOERN:** . . . may be an invitation to madmen to come into this building and attack the Premier and Ministers and Members of the Legislature? — (Interjection) — Mr. Speaker, I notice that the front benches think this is a joke. They think this is a big, funny joke. But whether or not anyone is interested in them is another question. Mr. Speaker, my question to the Minister is given . . .

**MR. SPEAKER:** Order please. Question period is not a time for making statements to the House. If the honourable member has a question, would he please pose it?

The Honourable Member for Elmwood.

**MR. R. DOERN:** Mr. Speaker, I'm attempting to ask a question, which I put in all seriousness, which apparently

is considered to be a big joke. My question is, since the Minister is responsible for the security of this building, these politicians, these citizens, these employees in this building, does he not recognize that an open-door policy may be an open invitation to madmen to come into this building?

**MR. SPEAKER:** Order please. The question is argumentative. If the member wishes information regarding an item within the administrative competence of the government, perhaps he should rephrase his question in that manner.

The Honourable Member for Elmwood.

**MR. R. DOERN:** Mr. Speaker, I'll try to be more specific. I recognize that the Minister was directing his attention only to what happened in Quebec. I think he has to direct his attention to every possibility. I ask him this question. Would he consider the addition, if he's considering this question, if he's reviewing security, would he consider as well the addition of one or more City of Winnipeg policemen to be posted in this building?

**HON. A. ADAM:** No, Mr. Speaker, we have a very close relationship with the City of Winnipeg Police and from time to time we adjust our policy if there is a need. If there is extra activity around the building that we require assistance from the city police, they've always been very co-operative with us. We have a very close relationship with them, but at this particular time I don't think it would be in the interests of the people of Manitoba and our accessibility to the public of Manitoba to have a number of armed policemen in the building to scrutinize in a very strict manner all people that want to have access to this building.

**MR. R. DOERN:** Mr. Speaker, a final question to the Minister. Can he indicate what range of time response there would be in an emergency call to the City of Winnipeg Police to get somebody to this building? Could he indicate a range, not a minimum - a minimum and maximum time response?

**MR. SPEAKER:** Order please. Questions to the Treasury Bench should be about matters which are within the administrative competence of the government. Does the honourable member wish to rephrase his question?

The Honourable Member for Elmwood.

**MR. R. DOERN:** Mr. Speaker, I ask the Minister whether it is true then that he does in fact use the City of Winnipeg Police as backup and could he, in relying upon those same police, indicate what time response he anticipates in a normal emergency?

**HON. A. ADAM:** Mr. Speaker, I recall a few years back when the Government of the Day had seven or eight people from Norway House who were protesting at the time. For some reason the government was not responding to the requests of the people from Norway House and at that time there were a number of city police that were stationed around the building to try and keep these seven or eight natives from Norway House in check. Our relationship with the City of

Winnipeg is very good. When we anticipate a number of people coming to the building, or visitors coming on special occasions, we do call upon them to provide traffic regulations and so on and to assist in other matters. Outside of that, there's no requirement for having them.

### Moratorium on adoption

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

**MR. G. MERCIER:** Mr. Speaker, my question is to the Minister of Community Services, with respect to the blockage of an adoption attempt of a three-and-a-half year old girl.

My question to the Minister is, Mr. Speaker, would she explain to this House, or inform this House, as to the reasons why the government appointed interim board of the Winnipeg Children's Aid Society has refused to allow the foster parents of a three-and-a-half year old girl, whom the girl has lived with since she was nine days old, has refused the foster parents' attempts to adopt her?

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

**HON. M. SMITH:** Mr. Speaker, that was a decision made by the board. They have been asked, since the moratorium on adoptions out of province, when developing permanency placement plans for Native children to canvass the Native community to see if there is a permanent placement. I know there was that searching out for resources with the extended family on the reserve in this particular instance. But the board has made that decision and I think they're the appropriate people to be asked that question.

**MR. G. MERCIER:** Well, Mr. Speaker, in view of the fact that this appointed board, appointed by this government, has acted against the advice of the interim manager, Mr. Bergman, who said the child should stay with the foster parents, and who said he strongly believed his decision to support the girl staying with her foster parents is in her best interest and that the parents very much regard her as their daughter, love her dearly, and are making a lifelong commitment to her, Mr. Speaker

...

**MR. SPEAKER:** Question.

**MR. G. MERCIER:** . . . in view of the fact that the Minister indicated in response to requests by Native groups before that she would await a decision of the board, would she now in view of the positions of the social workers involved, and the interim manager of the Winnipeg Children's Aid Society, intervene in this wrong decision?

**HON. M. SMITH:** Mr. Speaker, the purpose of having a board, and a Child and Family Service Agency is so that they will listen to the arguments, and the analysis, and the recommendations put forward by the staff, weigh that in the light of general policy direction and come to a conclusion.

In this case we have indicated as a general policy direction that wherever possible permanency placement of Native children should be with Native families if there is a plan available and a home that does offer a permanent place for that youngster. As I understand it that was the issue the board was dealing with, and they had access to the facts, and to the options, and in their good judgment, Mr. Speaker, made their decision. The decision, there is always an appeal process available and the foster family have access to that appeal process if they wish to choose it.

**MR. G. MERCIER:** Mr. Speaker, in view of the fact that the professional social workers in this case, the manager of Winnipeg Children's Aid has said clearly it is in the best interests of this child that she remain and be adopted by the foster parents whom she's lived with since she was nine days old, in view of the answer by the Minister the board appears to be following a policy of the government. Will the Minister amend this policy, stop jumping, Mr. Speaker, every time a Native, or a Native group sneezes and act in the best interest of the children instead of . . .

**HON. M. SMITH:** Mr. Speaker, it's rather interesting to hear that I'm being accused of jumping too quickly. I'm usually hearing that I'm not jumping quickly enough. Seriously, the issue of what is in the best interests of a child is a complex decision. There are the arguments that are made on the basis of where a child has spent their early years, where the relationship has developed, and the bonding relationship of the parents.

There are also the arguments brought about as a result of experience with what happens to some Native youngsters placed in white families when they hit their teen years, when they encounter identity difficulties, and where the non-cultural appropriateness of their early placement does produce difficulty.

Now, Mr. Speaker, had the youngster been in a permanent placement in the foster home the situation would not have arisen. But there was not an indication of that home at that time being a permanent placement, and so the procedure of looking for a Native home was followed. As I understand the option of the foster home being a permanent placement only emerged after that approach to the Native community. In all fairness, the Native community did search around for a placement, did develop an option, and as I understand it the option they came forward with met very strict standards of appropriate placement. So as I understand it that is why the board has made the decision that it has.

### Children's Aid Society

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

**MR. A. BROWN:** Thank you, Mr. Speaker. My question is to the same Minister.

Every year the Children's Aid Society of Winnipeg had their annual meeting on the Friday before the long weekend in May, that would be May 18th. Can the Minister tell me if such a meeting will be held this month.

**HON. M. SMITH:** Mr. Speaker, I'm not entirely clear of the question. The member is asking something about

a meeting around the long weekend in May. Perhaps he could be a little bit more specific.

**MR. A. BROWN:** The Children's Aid Society of Winnipeg always had their annual meeting in May. That annual meeting would have been on May 18th of this month. Can the Minister tell me if the Children's Aid Society of Winnipeg is going to have their annual meeting this month?

**HON. M. SMITH:** Mr. Speaker, there is no Children's Aid of Winnipeg that the member is referring to. It was disbanded last year. What we have in place is an interim board that is assuming those responsibilities until the transfer of legal authority occurs to the new boards.

**MR. A. BROWN:** My question is to the same Minister. The Children's Aid Society of Winnipeg operated for six months during this year. Who will accept the responsibility of the money spent and the operations of the Children's Aid Society of Winnipeg if there is no annual meeting? Who is going to be taking the responsibilities for the actions of the board if these cannot be ratified at an annual meeting?

**HON. M. SMITH:** Mr. Speaker, the legal board was disbanded and the interim board was put in its place. It therefore assumes the legal responsibility in this interim term.

**MR. A. BROWN:** My question is to the same Minister. I understand that the Children's Aid Society of Winnipeg had a substantial legacy fund consisting of donation from donors who specifically intended these funds to be used by the Children's Aid Society of Winnipeg. Can the Minister tell me how these legacy funds will be spent?

**HON. M. SMITH:** That item could be left until the Estimates but I have no difficulty in answering it directly right now.

The board did look at the question of deficit and legacy fund and made recommendations to the Cabinet. What we have agreed to is to assume the deficit but to redistribute the legacy fund to the new agencies on a pro rata basis.

**MR. A. BROWN:** Mr. Speaker, will we be able to get a financial statement for the Children's Aid Society of Winnipeg, and can we get a statement of money spent from the legacy fund?

**HON. M. SMITH:** Mr. Speaker, the details of how the annual statement are made available to the public I will take under advisement but I think that I will undertake to be prepared to give more detailed answers during the Estimates process.

**MR. A. BROWN:** My question is to the same Minister. The Minister is presently advertising for directors for the six agencies to be established at a salary of \$52,000 per year. I understand that this is the second time around that she is advertising for these positions. Is there a problem getting qualified directors?

**A MEMBER:** Looks like you left her quite a mess, Len.

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

**HON. M. SMITH:** Mr. Speaker, initially the plan had been to have the directors hired prior to the putting in place of the new boards, but on reflection we thought that since they will be responsible to the elected boards it would be better, even though it would delay the transition somewhat, to wait until the boards were in place, and then to readvertise. All the people who applied in the first instance will have been approached and asked if they want to have any say on the list. They will be asked to indicate a board of preference, if in fact they have a regional preference.

**MR. A. BROWN:** My question to the Minister is: who is making the decisions and making the recommendations regarding the hiring of directors for these six agencies?

**HON. M. SMITH:** Mr. Speaker, in the planning manuals that went out to the regional boards, the process for selection of the executive directors, it was recommended that the individual boards constitute the hiring committee with representation from the director of Child Welfare.

**MR. A. BROWN:** I have a further question to the Minister, Mr. Speaker, besides the six directors at \$52,000 per year, the agencies will be needing six accountants, six volunteer co-ordinators, six persons looking after Child Welfare Services, six key management people regarding social services and many more persons, plus rent.

**MR. SPEAKER:** Question.

**MR. A. BROWN:** Can the Minister tell me what the extra cost will be in establishing six agencies, compared to Children's Aid Society of Winnipeg?

**HON. M. SMITH:** Mr. Speaker, this is virtually a duplicate of the question asked yesterday. The platter organization, the smaller organizations will in fact not require a great many more staff people. The costing out, each board will be operating with a budget, and their responsibility will be to determine how that is allocated in terms of numbers of staff and the different services. But our experience in the past year indicates that we have been able to save on some of the expensive types of services, and there is some money there, some flexibility, for the staffing to be put in place and for the shift of services to the more preventive end of the spectrum of services can also take place.

**MR. A. BROWN:** My question is to the same Minister. The main reason for dismantling CAS Winnipeg seemed to be that Native complaints, adoptions and foster homes were sometimes established outside of the province. To date, the Minister has done nothing but further antagonize the Native community. Can the Minister tell me what she will do to alleviate the concerns of the Native people in this community?

**HON. M. SMITH:** Mr. Speaker, there were problems in addition to the concerns of the Native people with

CAS Winnipeg. Again that can be appropriately left to Estimates.

The question of building services that are acceptable to and effective for the Native community is a very complex one. The Native community would have preferred to have a completely separate mandated agency under their own control. We have elected instead to go with the separate agencies on a regional base, but to build in a separate, distinct level of service operated by the Native community with their own board for the services. That's the services to families.

They will be enabled to carry out all of the services except the legal apprehension and formal adoption and placement. They increasingly, as Native people are available in the staff of the service agencies, will be involved in the planning though and the decision-making about Native children at the regional board level.

**MR. A. BROWN:** Mr. Speaker, five months have elapsed since Children's Aid Society of Winnipeg was dissolved by this government. Since that time, all we have had is an interim board in charge. Can the Minister tell me when the agencies will be created and be operational?

**HON. M. SMITH:** Mr. Speaker, the story of what's going on in the City of Winnipeg certainly deserves to be told over and over, because we have in that interim period while the interim board has been managing the affairs of the existing people and youngsters in care, we have put in place five elected boards. They have received considerable training. They are meeting regularly. There are upwards of 20 groups of appropriate people from the boards and from the service community in the city that are working to co-ordinate special areas of service. There is a planning manual that tells the sequence of tasks to be accomplished by the boards, so that the transition from the interim board to the respective agencies can occur in an orderly fashion.

Later this Session, we will be putting through the official, legal requirements that will enable the boards to assume the full responsibility as they gear up and locate themselves and have the appropriate staff in place.

**A MEMBER:** Step in hard and get a handle on that department.

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

**MR. A. BROWN:** Mr. Speaker, I did not get the answer that I was . . .

### Western Premiers' Conference

**MR. SPEAKER:** Order please.

The Honourable Member for Thompson.

**MR. S. ASHTON:** Arising out of his earlier comments in regard to the Western Premiers' Conference and particularly in regard to the comments made by the Leader of the Opposition in response to the Premier's comments on deficits, I would like to ask the Premier whether there was any discussion of the distinction between current and capital spending in terms of

calculation of deficits, and whether there was any agreement on behalf of the Premiers in that regard?

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

**HON. H. PAWLEY:** Mr. Speaker, the Leader of the Opposition in responding had omitted to, I guess, acknowledge that portion of the communique which stressed that indeed there had been discussion in connection with deficit, agreement on the part of all Provincial Governments to reduce current operating deficits, made a very clear distinction, which I believe to be fundamentally important in any modern, economic community, between the current operating deficit and the budget capital deficit for the purposes of ensuring long-term economic development and job creation.

So indeed I was very pleased in response to the honourable member's question that there was a clear distinction, a very clear recognition on the part of all four western provinces, unlike that which exists in some other quarters, Mr. Speaker, that there is a clear differential, a clear distinction between a current and a capital deficit.

### Children's Aid Society

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

**MR. A. BROWN:** Thank you, Mr. Speaker. The Minister did not answer the question as to when these agencies would be operational. I would like to ask her again, when are these agencies are going to be operational, and where are they going to be located?

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

**HON. M. SMITH:** Mr. Speaker, it's a phasing-in process. They have a sequence of tasks to complete, and they will not all move at precisely the same time. They have moved from their initial election through orientation. Now they're recruiting their executive directors. They will be working with the executive director in the CAS Winnipeg in sorting out the existing cases into regions, and they will also be seeking out places to rent in their regions.

Each of those tasks must be complete before they assume the authority. Some may proceed more speedily than others, but we're expecting to have the bulk of the transitional activity completed this year.

**MR. A. BROWN:** My final question is to the same Minister. The Department of Education have not yet made a severance pay settlement with Dr. Perkins. Has this Minister arrived at a severance pay settlement with Betty Schwartz, the previous director of Children's Aid Society of Winnipeg?

**HON. M. SMITH:** Mr. Speaker, that's the responsibility of the interim board.

### Peguis Indian Reserve

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

**MR. H. ENNS:** Mr. Speaker, I direct a question to the Honourable Minister of Agriculture.

I know, Mr. Speaker, he's familiar with the practice that he and I are both exposed to from time to time, when addressing or speaking to people, that the meetings are recorded by tape or other means. It's in light of that that I ask the question to the Minister of Agriculture: did he, at any time, advise the senior people of the Peguis Indian Reserve to burn down that bridge?

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

**HON. B. URUSKI:** Mr. Speaker, I guess it best can be answered in this way, that the Honourable Member for Lakeside stop beating his wife, and the answer is clearly, no.

**MR. H. ENNS:** Is the Honourable Minister aware that the RCMP are confiscating certain tapes with respect to the kind of advice that was given to the Peguis Indian Band with respect to burning down of public property?

**MR. SPEAKER:** Order please. The awareness of a Minister as to the actions of the RCMP are not a proper subject for questions in this House.

The Honourable Member for Lakeside.

**MR. H. ENNS:** Mr. Speaker, I asked a very simple question. Did a Minister of the Crown advise citizens of Manitoba to burn public property?

**HON. B. URUSKI:** Mr. Speaker, the honourable member made reference to some kind of tapes and I'm very interested in some tapes that the honourable member is referring to, Sir, and I would be very pleased to see those tapes and the contents. If the honourable member has some information, I'd appreciate hearing it.

**MR. H. ENNS:** I gave you a chance to come clean, Billie.

**MR. SPEAKER:** Order please.

**HON. B. URUSKI:** Mr. Speaker, my answer was very clear, no.

**MR. H. ENNS:** Okay, that's fine.

### **MTS - pension cheques**

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

**MR. L. SHERMAN:** Thank you, Mr. Speaker.

My question is to the Honourable Minister reporting to the House for the Manitoba Telephone System. I would like to ask him whether he has had an opportunity to look into the question that the First Minister took as notice from me, on the Minister's behalf on the 30th of April, relative to the mailing of pension cheques to superannuated Manitoba Telephone System employees and the delays in those mailings during the week of the Finance Minister's Budget propaganda letter?

**MR. SPEAKER:** The Honourable Minister of Business Development.

**HON. S. USKIW:** Mr. Speaker, I've not had a response from the department to that question, but I assume it's under way somewhere.

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

### **INTRODUCTION OF GUESTS**

**MR. SPEAKER:** May I direct the attention of honourable members to the gallery. We have 20 students from the University of Winnipeg, mini-enrichment course for Winnipeg High School students. They are under the direction of Professor Bailey. The school is in the constituency of the Honourable Member for Wolseley.

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

### **COMMITTEE CHANGES**

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

**MRS. D. DODICK:** On Public Utilities and Natural Resources, the Member for River East will replace the Member for Wolseley; and the Member for Seven Oaks will replace the Member for Concordia.

### **ORDERS OF THE DAY**

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

**HON. A. ANSTETT:** Mr. Speaker, would you call the resolution respecting the Standing Committee on the Rules of the House, standing in the name of the Honourable Member for Virden.

**MR. SPEAKER:** On the proposed motion of the Honourable Government House Leader, standing in the name of the Honourable Member for Virden.

**MR. H. GRAHAM:** May I have this matter stand please, Mr. Speaker?

**MR. SPEAKER:** Stand.

The Honourable Government House Leader.

**HON. A. ANSTETT:** Would you call Bill 2 please?

### **ADJOURNED DEBATE ON SECOND READING**

#### **BILL NO. 2 - THE LOAN ACT, 1984**

**MR. SPEAKER:** On the proposed motion of the Honourable Minister of Finance, Bill No. 2, standing in the name of the Honourable Member for Lakeside.

**MR. H. ENNS:** Mr. Speaker, I adjourned this debate on behalf of my colleague, the Honourable Member for Pembina.

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

**MR. D. ORCHARD:** Thank you, Mr. Speaker.

Mr. Speaker, we have heard a great deal in the last three to four weeks, from the Minister of Finance today, most recently from the Premier on his return from the Western Premiers' Conference, about the utility of deficit spending for capital purposes. I think that presents for all of us the opportunity to do an interesting analysis of really where we're going with capital spending, financed by deficit borrowing.

Now if we're to believe the government, and particularly the Minister of Finance and the Premier, that is a good direction to take. But, Mr. Speaker, just yesterday in the perusal of the Manitoba Telephone System Annual Report, interesting things were disclosed in that report about deficit spending, capital borrowing, and the impact on telephone rates and the impact on the viability of future rates of the Telephone System.

Now following the Minister of Finance's theory on deficit spending for capital purposes, the Telephone System is a shining example of good government. They are currently running approximately an 84 percent debt equity ratio and it has been revealed in this year's report that when they retire capital borrowings to install new plant which happened some 10 to 12 years ago, they don't retire that old debt out of current revenues and eliminate that old debt. They retire it by borrowing new debt. In other words, Mr. Speaker, the Manitoba Telephone System is treading water. We have been at the 84 percent debt equity ratio for some time.

Now the contrast that was made - and I want my honourable friends in the government to give consideration to this. There are private telephone companies in Canada. There's B.C. Tel; Bell Canada; there is New Brunswick Tel; there's Newfoundland Tel. Most of those private utilities, when you do a rate comparison, have higher rates than Manitoba Telephone System to their customers. But, Mr. Speaker, when you do an analysis of where those private corporations are at, in terms of their debt equity ratio, you find that they are around the 50 percent level. If Manitoba Telephone System were to approach the 50 percent level, telephone rates in Manitoba would have to skyrocket, Sir, to achieve true payoff of capital borrowings. The private telephone systems are repaying their capital debt out of current revenues and they are eliminating capital debt and they are down to the 50 percent debt equity ratio. But public telephone companies are not and that, Sir, is a major reason why the public telephone companies are maintaining a lower rate, and I suppose it could be called a false sense of security, because we are not truly paying for the service that we're getting because we are simply treading water in terms of debt retirement.

Now the danger, Mr. Speaker, in doing that is what happens to your telephone rates, if and when interest rates take off and skyrocket? Now the private companies are sitting at 50 percent debt equity ratio. If interest rates double the impact on their monthly rates, that they're going to have to have in addition to what they are presently charging, in order to pay off the additional interest costs, will certainly go up but it will go up an awful lot more in the public utility of Manitoba, Saskatchewan or Alberta, where there's an 85 percent debt equity ratio.

So what we are doing today, Sir, in maintaining a debt equity ratio of the 85 percent, is we are eating up the benefits of today and we are not preparing for a future, which we do not know what that future holds for us in terms of interest rates, etc., etc.

Now currently the Manitoba Telephone System is spending approximately 23 percent of its entire revenue on interest payments yearly. If interest rates were to double, that would take, Sir, an additional \$65 million of revenue to pay off that interest rate alone, because of our highly leveraged debt equity position. That would not require the same kind of rate increase in a private company, such as Bell, where their debt equity ratio is only 50 percent.

When a Minister of Finance says to me, as this Minister of Finance did, that creating a deficit is good so long as we have an asset to offset it, is not telling us the complete story. He is giving us handholding which justifies his bad government today, and he's not coming to grips with the future impact of his deficit, even though it's going into capital, which according to him and the Premier is good. Because, Sir, as we approach budgeting for government next year and the year after and the year after, we are not paying down the capital deficit that we're incurring. We are simply reborrowing to pay it off. We're not retiring it, Sir. It is still there, and as it is still there and is growing, as it has been with this government over the past three years in some figures I laid out in the Budget Speech - it's growing at an alarming rate - so grow the interest costs on that debt.

Unless the government has a plan of paying down and reducing the capital deficit incurred, for instance in 1982, over the period of years '84 to '85 to '86, then that deficit will be there and it will be growing because of interest payments and the cost of keeping that debt will grow over the years and it will further reduce the flexibility in government to undertake needed programs. This government prides itself, attempts to pride itself, on having a compassion for people using the health care system, the education system, the community services system. At their rate of deficit accumulation, the interest bills will stifle them and will cause them to undertake reductions in those programs that they hold near and dear to their heart, because there will be no other source of revenue to pay that down.

Mr. Speaker, when the Minister tells me that the capital deficit is good for Manitoba, because we have an asset to show as a benefit, he's not really telling me something or the financial community something that is going to make them very confident in the future ability of this province to pay its debts.

I ask members opposite, to check back into the Budget position of the Province of Manitoba for the past two decades and to determine when the last time this government had a surplus. You will find it is prior to 1969.

Now, if capital deficit is good, Sir, because there is an asset offsetting that capital deficit, I simply ask the Minister of Finance, where ever he is, when are you going to create the budgetary surplus to pay off the deficit you've incurred? Will it be next year, the year after, will it be 1990? Because as long as you keep on incurring deficits in the range of \$500 million, you do not have a surplus budgetary position and surplus funds to actually reduce the amount of deficit borrowings

that the Province of Manitoba is holding. Whether they be to Swiss banks in Swiss francs or to Japanese financial institutions in Japanese yen or New York financial institutions in U.S. dollars, or the Government of Canada in pension plan, or the citizens of Manitoba in Manitoba savings bonds, it does not matter what the source of those funds has been. What matters more, is when the Province of Manitoba is able to reduce that borrowing, eliminate that debt, by application of a budgetary surplus, because that's the only way you can do it. Because as long as you are borrowing money to install your capital facilities such as roads, drainage ditches, schools, hospitals, and in addition, borrowing to pay the salaries of the bureaucrats that are building those roads, planning and designing those hospitals, then, Sir, you are never going to get to the position where you retire your borrowings, your offshore borrowings, your U.S. borrowings, or your Canadian borrowings, in any other manner other than refinancing them and going back to the market to re-borrow.

I don't particularly get all that happy when the Minister of Finance tries to polish the government's image by saying that their deficit is good this year because the operating portion of it, the current portion of it, is down, and the capital portion of it is up. Because I don't agree with the Minister, and I don't think anybody who has ever had any experience in the business world agrees with the Minister. Businesses can't operate that way, farmers can't operate that way, individuals cannot operate that way in their own family budgetary planning, so how can the Minister expect the people of Manitoba to believe that the government has some God-given right to operate in that way? It is simply not so, Mr. Speaker.

Mr. Speaker, what is more alarming are revelations by the Minister - and I forget the name - who comes from the seat of Lac du Bonnet, Tourism and something else, I apologize to him for not knowing the exact title. — (Interjection) — Tourism and Small Business. If the deficit incurred for capital spending was putting in place a revenue generating asset, so that the revenues from that new asset would retire the capital debt plus interest over a period of years, then you might have justification, because that's the way farmers borrow money to buy tractors and land. That's how our businessmen finance new factory expansions or manufacturing equipment purchases. The revenue generated from that farm, from that tractor, from that factory, from that machine, creates sufficient additional new revenues to pay for it over a period of time. But the Minister of Small Business and Tourism indicated that he believed that some of this non-budgetary capital authority we are being asked to approve is not self-sustaining. In other words, it will not pay for itself over a period of years.

Now, Mr. Speaker, that brings us into sort of a gray area as to how this Minister has divided the capital portion of this year's deficit versus the current portion, because he's trying to say the capital portion is all right, it's only the current portion we should worry about. What if the line has to move over several million, several tens of millions or maybe even 100 or 200 million? Then truly, Sir, we have a problem with that kind of a sizable current deficit because some of the capital deficit items are not self-sustaining.

You see, Mr. Speaker, there are problems in this government's method of budgeting, and I will admit to

the Minister of Finance and to the Premier that they will probably be able to sell this to the people of Manitoba that they're doing not a bad job. After all, these people spend millions of dollars on advertising. They may be able to sell it, but I only hope that a few more Manitobans - and they are growing numbers - will realize when their property tax bill comes out in the City of Winnipeg, and they compare the four years that we were government and they compare the first two years under this New Democratic Government and they find their property tax bill has gone up fourfold in two years over what it did in four years of our government, they will come to the realization, they'll ask themselves how did this happen? It's happened because of the government's budgetary policies which are wrong and incorrect, which are taking us further into debt and depriving us through interest costs, lack of new and fresh initiatives in the business community from additional revenues to go toward City of Winnipeg block funding which would help to keep property taxes down, Sir.

So at a point in time, Mr. Speaker, when the people of Canada are saying how did it happen to us, then unfortunately they're going to realize what deficits really mean, and they are going to conclude that people like the Minister of Finance and the Premier of this province in the last month have grievously misled them in the pronouncements that deficit incurred for capital spending are good. — (Interjection) — They're going to realize that is wrong.

Mr. Speaker, the Member for The Pas asks me what we were going to do? I simply want to point out to the Member for The Pas that during the four years that we were government - and he was not a part of opposition in those days - that according to the Minister of Finance's calculations we ran a surplus Budget. We were the best government since 1969 from a budgetary position in Manitoba.

So, Mr. Speaker, the Minister for Community Services made a comment from her seat which I think deserves baring. She says we forgot about some of the people. Well, Mr. Speaker, I want the Minister for Community Services to go to the 200 people at the University of Manitoba that are going to be laid off because of this government's budgetary policies - not ours - and tell them that their government has not forgotten about the people, because the layoffs didn't occur during our regime under our funding which her and many others in the New Democratic Party staged marches around this building to protest. There were no layoffs at the university, there were no 200 people without jobs, but now they are, now they're without jobs at the University of Manitoba and she says to me, "But we didn't care about the people."

What do those 200 people think now, Mr. Speaker? What do the people, as my colleague from Roblin-Russell says, what about the people in the libraries that are being laid off? We can go through a litany of layoffs that this government has given us because of their budgetary policies at the same time that they're running phenomenally high deficits in the Province of Manitoba, and the Minister of Community Services has the gall to say that we forgot about the little people.

We did more for the little people in Manitoba in four years than this government could ever hope to accomplish, because we were a responsible government

that looked after the genuine needs of Manitoba. We did not polish our image to 81 hirelings from Saskatchewan at \$35,000 a year, we did not polish our departments with reams of bureaucrats that developed policies and fire the working people in the departments as is happening in Highways and other departments.

You know, Mr. Speaker, we truly cared about the little people when we were government. The only problem is we had an opposition, and adherents and sycophants of that opposition that were willing to surround this building on phony issues in rent-a-marches protesting against legitimate spending thrusts in this government. Because when the universities under our regime were given a 3 percent, I believe it was, spending increase, there weren't 200 staff laid off at the University of Manitoba, but that's happening with the New Democrats. I'm surprised that there isn't a mass march of students around this building from the University of Manitoba led by the professors, led by the Marty Dolins, led by those - the Bernie Christophes, the Dick Martins - that were here in front of this building during our administration.

Not only are there staff layoffs at the university, Mr. Speaker, but tuition have skyrocketed out there under this administration, and they went up modestly during ours. We got the marches and they have the gall, the Minister of Community Services has the gall to say from her seat that we didn't care about the little people.

Well, Mr. Speaker, come election opportunity the little people are going to speak in judgment of this government, and the little people are going to say that they want a return to a government that knows how to govern, that knows how the Province of Manitoba can best serve its people. - (Interjection) — Mr. Speaker, the Member for Flin Flon, the Minister for Northern Affairs, I believe he is now, says, ". . . knows how to run a province into the ground." Check the credit rating of the province during the four years we were government, check it during your two years, and check it two years from now before you go to the people. We'll find out who has the credit rating, we'll find out who ran the province into the ground, Mr. Speaker.

Now, Mr. Speaker, this brings me to another topic that I want to address whilst this debate is going on. This government has no qualms about incredible spending to polish their image. You cannot practically go anywhere without seeing a Jobs Fund sign. As a matter of fact - I have to tell honourable members opposite - that one of my constituents came back from Victoria a short while ago. He's got a reasonably long lane, and as he turned into his lane on returning from Victoria he saw this outdoor privy parked in the middle of his lane with a big Jobs Fund sign on it. He said, you know, they must have lots of these around when they can joke with them, when there are so many floating around that no one even knows they're missing. Advertising to this government means nothing. They will try anything and they will spend any amount of money to try to polish their image to try to convince people that they're doing a good job governing.

Mr. Speaker, we have tried now for approximately a week-and-a-half to understand from the Minister of Government Services what is involved for the citizens of Manitoba who suffered ice-storm damages some 10 days ago, what is the process by which those people could qualify for disaster assistance funding which is

in place in this government, which is available from this government from the previous government, from the Schreyer Government, it's available. He started out by saying, well, we haven't got any money; then, he said, well, we may have some money; then he said, well, we're going to check and see if there are any damages first; then he said, well, we found out there are some damages and it may be a disaster area, but we're not sure whether we're going to pay any money.

Then finally yesterday, he did say that when the damages are above \$1 per capita in a municipality or a town, that is the threshold which triggers the emergency disaster funding. He also confirmed yesterday, after questioning by myself, that if an individual or a small business has sustained more than \$250 damage, then that individual may apply for disaster assistance funding. It's not new as the Minister alluded to.

Mr. Speaker, I want to table a copy of Fall 1983 EMO in which it says on the front page, The Manitoba Emergency Plan. "Approval of a new emergency plan for the Province of Manitoba was announced by the Government of Manitoba on October 12, 1983. The plan replaces the Manitoba Civil Disaster Plan of 1971." Plan in place, Sir.

I want to draw honourable members' attention to Page 3. The Minister tried to tell us, Sir, that the policy hadn't really been approved, that there was really no framework in place. I draw your attention, Sir, to Page 3: "Spring floods 1983. Flooding in the Swan River-Dauphin areas in April, 1983 caused considerable flood damage." There is additional talk about it.

The last paragraph, and this is the important one, Sir, says "The Manitoba Disaster Assistance Board has to date received 275 applications for financial assistance. Of these, it is anticipated that approximately 215 will receive some form of financial compensation."

Hardly a new program, Sir; hardly a policy that hasn't been approved; hardly a policy that's being developed, but an ongoing government commitment to help those individuals, businesses and communities that are struck by a natural disaster beyond their control and have sustained damages beyond a given formula. Part and parcel of that formula, Sir, is this Table of Per Capita Eligible Costs which I shall also table, which was part and parcel of the EMO Fall 1983 bulletin - not news, Mr. Speaker, for the Government Services Minister. Well, I should correct myself. It may be news for him, but certainly not news for the government, Sir.

Mr. Speaker, I want to quote briefly from a January 16, 1984, document from the Manitoba Disaster Assistance Board signed by Albert St. Hilaire, who is the chairman of that board. It is regarding the Manitoba Disaster financial assistance policy and provincial guidelines and interpretations.

"I will say also, we enclose one copy of the proposed policy covering disaster financial assistance to municipalities and private citizens of this province. The purpose is to assist municipalities, businesses, individuals financially when the eligible costs of the disaster:

"(a) do not exceed the threshold at which the federal disaster assistance arrangements are applicable, but;

"(b) exceed the threshold which any one municipality can reasonably be expected to bear on its own."

That, Sir, is the document I tabled second, where those thresholds are reached.

"It covers a disaster, which means a calamity or any emergency other than a war emergency caused by accident or the forces of nature, and which has resulted or may result in serious harm to the safety, health or welfare of the people or in widespread damage to property."

There was an ice storm in Manitoba; there was widespread damage to property. Ice storms are a force of nature, and that is why the mayor of Carman and the mayor of Morden were given assurance by the chairman of the Manitoba Disaster Assistance Fund and the director of EMO that clean-up damages would qualify for Provincial Government assistance.

The bureaucrats were saying that; the Minister wasn't. Some confusion understandably, but what is troublesome is the Minister didn't attempt to clear up the confusion. So I want, Sir, in the time that's available to me to point out 4.2.1: "That disaster expenditures deemed eligible for cost-sharing shall be subject to Clause 4.1.3 and to the following criteria." And here are the important ones: "Public sector, up to 90 percent of actual approved expenditures; private sector, for small business, up to 75 percent of approved costs after a deductible of \$250 to a maximum of 30,000; and to individuals, Sir, up to 75 percent of approved costs after a deductible of \$250 to a maximum of 30,000.00." Laid out, Sir, in black and white for all to see, for the Minister to know, and hopefully, Sir, for the people of Manitoba to know.

That is what bothers me and bothers many Manitobans. We have a government that will spend millions on Jobs Fund advertising, on signs, on advertisements, on little stands in the shopping centres, on radio voice clips of recipients who are happy. They will spend millions on polishing their image, but when it comes to a simple request that we have made to the Minister of Government Services to please let the people of Manitoba who have been affected by property damage from the ice storm, let them know what your criterion is so that they can judge for themselves whether they are eligible for Provincial Government assistance to clean up those losses and damages. Turn out a press release stating that case, and give some phone numbers so that people in doubt can phone and find out. All of the apple polishing you do, you're going to do anyway, but when it comes to doing something meaningful, something constructive, something beneficial to the people of Manitoba, it doesn't happen.

Mr. Speaker, I will put forward my theory as to why the Minister of Government Services did not do that. He did not do that because the majority of damage is in southern Manitoba held by Progressive Conservative MLA's, and this government doesn't give a damn about southern Manitoba. That is the problem this government has. The First Minister and the Finance Minister, when I posed my questions on Monday, immediately swung around to tell the Minister of Government Services that there was no assistance, that he should just answer that it's according to policy. They are trying to freeze out southern Manitoba from funding they legitimately deserve.

I simply ask, if this ice storm had have hit in the City of Thompson, would we have gotten the waffling on the issue that we've gotten from this Government Services Minister and this government? No. If it had have happened in Flin Flon, or The Pas, or in the

Interlake in the Minister of Agriculture's constituency, would we have had this waffling, this denying of information? No, we wouldn't have. But when it's southern Manitoba, Progressive Conservative areas, this government's attitude is freeze them out. To hell with them! We don't need to pay them anything.

That's what their attitude is, and that is why this Minister, Sir, has not put out a press release to be carried in the papers of southern Manitoba to tell them what the criteria are for disaster assistance, for clean-up costs to be paid by the Government of Manitoba, because it's in the wrong part of the province and they don't happen to vote right down there. That's what the problem is, Sir, and it always has been with this government. They always have been.

They always have had this problem, Sir. It will continue and that, Sir, is why this government, this New Democratic Party . . .

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

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

**MR. D. ORCHARD:** . . . will be perpetually frozen out of southern Manitoba, because they play those cheap, political tricks when it comes to budgetary measures. They play those cheap, money tricks when it comes to providing legitimate assistance to southern Manitoba farmers, southern Manitoba businessmen, towns and villages.

They don't play the game of government for the betterment of all people in Manitoba. They play the role of government for the maintenance of power, the enhancement of power, and the freezing out of those that don't support them politically. That's the kind of crass politics these people play.

I am reminded by my colleague, the MLA for Minnedosa, that it was eloquently put to the people of Russell during the election campaign of 1977 — (Interjection) — pardon me, 1973, that if you don't vote for us don't expect to get any government funding or government programs. That attitude prevails today in this government. It prevailed with this Minister of Government Services. The Premier and the Minister of Finance swung around and told him Monday of last week, we're not paying any disaster assistance to those communities in southern Manitoba, because, Sir, they're in southern Manitoba and they vote wrong.

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

**MR. SPEAKER:** Order please.

**MR. D. ORCHARD:** Mr. Speaker, I simply make the request again to the Minister of Government Services - and I use it as an example, and I'll table it today.

You might recall that I asked the Minister of Health a very simple, very straightforward question. The Federal Government extended the deadline on income tax filing seven days, because of the ice storm in southern Manitoba. I asked the Minister of Health if he would take under advisement the extension of the Pharmacare filing deadline in Manitoba which was April 30th, the same as the income tax date, so that people who had been prevented from filing because of the ice

storm could late file and still qualify. I wish to table this press release from the Minister of Health saying the deadline has been extended - a press release to tell the people that it's still okay to apply for Pharmacare.

Did this Minister of Government Service put out any information to the people of southern Manitoba telling them that they may qualify for ice storm clean-up compensation and damage compensation? No, no, he didn't, Sir. Why not? Is he not competent? Is he not capable? He nods his head. He says that's right. I agree. But Sir, he's got a cadre of apple polishers over there, of PR people, of executive assistants, special assistants. The Premier's office is full of them. Get one of them to write a press release for you, Mr. Minister, and you sign it and say I wrote it. I'll give you credit for it at home. I'll say Mr. Adam wrote this press release. I can tell by the fine hand and the turn of phrase.

But for heaven's sakes, get it out to the people in the area so that they can make application where it is applicable for damage compensation that is coming to them as part of public policy of the Province of Manitoba for the people of Manitoba, not simply for the people of Manitoba who happen to vote New Democrat.

The Minister of - what is he a Minister of? - Municipal Affairs, he usually speaks with his mouth, and without his mind, and if he was here earlier he would have seen the documents that I tabled. They are record of the House, and if he wants to check them he can do so, and refresh himself on what public policy is and has been in the Province of Manitoba. If he's not familiar with that kind of public policy as it affects municipalities and towns for which he has administrative responsibility, then he is incompetent, Sir, as incompetent as the present Minister of Government Services.

So I simply ask the Minister, turn out a press release, tell us what your policy is and let the people of Manitoba share in the public policy that is there for their benefit.

**MR. DEPUTY SPEAKER, C. Santos:** Are you ready for the question?

The Honourable Member for Charleswood.

**HON. S. LYON:** Mr. Speaker, I'm happy to participate in the Capital Supply Debate, to vote for this government certain amounts of Capital Supply which it states are necessary for the proper conduct of the business of Manitoba. Anything that this government states, Mr. Speaker, has to be subjected to very close scrutiny because, as I was saying the other day, and as many members in this House know and as the people of Manitoba know, the word of this government cannot be taken at face value.

Mr. Speaker, the Government of Manitoba has an item in Capital Supply of several millions of dollars, I believe \$5 million to attend to its share of the feasibility study which the Government of Manitoba is engaging in with the Aluminum Company of America. This feasibility study is taking place pursuant to a Letter of Understanding, of the 28th of March 1984, between Alcoa and the Government of Manitoba. I think it's worthwhile pointing out, as I probably will state on more than one occasion during these remarks and during the rest of the Session, that the previous arrangements that the then Government of Manitoba had with the Aluminum Company of Canada called for not one penny

of expenditure by the people of Manitoba either on the capital or the current account in order to have Alcan undertake the construction and operation of an aluminum smelter in the Province of Manitoba.

Four years later, three years later to be exact, after flubbing that deal, after dropping it, the government comes along with another agreement that it has worked out with Alcoa and says, aided and abetted by some of its staunchest supporters in the press, that this is a better deal than the one that the Government of Manitoba worked out with Alcan. I find it interesting that anybody can make that comment when nobody knows what is the nature of any deal that the Government of Manitoba will make with Alcoa, because we're only engaged at this stage in a feasibility study. But such absence of facts have never baffled a pundit such as Frances Russell, and she and that merry band of incompetents across the way are never troubled by the facts, they just blast ahead with their left-wing ideology and hope that the public will take it all in and that the truth, even though it's left dying on the roadside, won't be noticed.

Well, Mr. Speaker, before we get into any further discussion about an aluminum smelter, I wonder, Sir, how many members of this House or how many members of the development community in Manitoba had occasion to read the Annual Report of Alcan this year, because if they had read that annual report, Sir, they would find that there is no mention in that report of any prospect of development in the Province of Manitoba. Now heretofore in 1982, 1983, when Alcan was attempting to help this government off the hook for its fumbling, Alcan would at least put in a mention of the fact that the Manitoba studies were still under way, or that the Manitoba prospect was open and that when economic times improved that undoubtedly that prospect would be one that would be looked at again. But in this annual report no such comfort words emerge for the incompetent Government of Manitoba, none at all.

On the first page of that report it refers to the Canadian and worldwide expansions in smelter capacity, and concludes, Mr. Speaker, with these words, and I quote from the Alcan Annual Report of this year, "With these plans under way Alcan believes it has a flexible program for the modernization and expansion of its Canadian smelting base to meet market needs."

Mr. Speaker, need I reiterate the fact that Manitoba plays no part in Alcan's expansion plans. Oh, B.C. plays an important part, Mr. Speaker, the traditional area where Alcan smelting capacity has been in place. There are large plans afoot involving the expenditure of hundreds of millions of dollars in British Columbia.

As we all saw in the paper the other day, there are extremely large plans afoot in the Province of Quebec. A billion dollars of development is going to take place in the Province of Quebec, where that province under a separatist government, which our friends across the way hate to admit, is regarded as being of the same ideological left wing kook stripe as they, that government found no problem in granting water rights to Alcan; that government had found no problem keeping Alcan's precondition in mind, that Alcan wishes to own for a stated period of time part of the generating capacity for its plants in Canada. The Government of Quebec didn't find any problem meeting that

precondition, and look what happens, the Province of Quebec gets the billion dollar investment, the Province of Quebec gets the jobs that go with that billion dollar investment, and the Province of Quebec gets the hydro construction that goes with that billion dollars worth of investment. But not Manitoba, because under the current Minister of Energy and Mines, who came into office all puffed up with himself in November of 1981, he came in and one of his first actions with that import from Saskatchewan, Mr. Eliesen, his NDP hack deputy, was to stop Alcan advertising in Manitoba about the advantages of Alcan locating a smelter here. That was good salesmanship on the part of the Minister of Mines, the former Rhodes Scholar. Wasn't that brilliant on his part, Mr. Speaker? That was a brilliant development on the part of this NDP Government to tell a company that was ready to put refining capacity in place in 1981-82, to start it - that was brilliant telling don't advertise in Manitoba. We don't like the terms of the agreement. We're going to negotiate a better agreement. We may talk to other people, said they.

Within four months Alcan came out and said, well "market conditions" - in quotation marks - and we're not going to go ahead in Manitoba, and they did their best to give comfort to this band of incompetents, even though they had been treated abominably by this collection of incompetents, who had within their grasp in 1981-82, the ability to create an aluminum smelting capacity in Manitoba with not a nickel of provincial taxpayers' money, current account or capital account, going in. — (Interjection)—

Mr. Speaker, I hear a twitter from the back bench of the incompetents across the way saying what about the buy back? Mr. Speaker, my honourable friend is not a lawyer - God knows there are enough incompetent lawyers in the NDP represented in this House at the present time - so when I say he is not a lawyer, I'm really doing him a favour. There are a number across the way who are graduates in law, but very few of them qualify as being lawyers, so that's not a disability.

Mr. Speaker, if the Member for Thompson can pull his eyes away long enough, from whatever tracts it is that he reads, and take a look at the agreement that was in negotiation and the preliminary signed in 1981 with Alcan, he will find at the end of the agreement where it discussed at the end of the 25 or 35-year term - I don't have the agreement in front of me so I can't quote exactly - where the lawyer said that there would be arbitration about the price of the water rights and about the price of power at the end of the first term, with the idea that the agreement would be renewed.

Everyone with common sense - and I realize that excludes most people on the other side of the House, Mr. Speaker - everyone with common sense or some even passing familiarity with development agreements knows that lawyers then try to anticipate - if the negotiations fail they put in arbitration, and if arbitration fails, then they put in another step which is always the ultimate step - well in the event that the arbitration were to fail on the pricing - then the province would have the right to take over the plant and would have the right to take over the portion of the turbines that the company had advanced the capital for. Mr. Speaker, in the parlance of the profession, that's known as the legal cushion that is put into the agreement to try to anticipate eventualities, the likelihood of which is

probably pretty remote, but lawyers doing a job for their clients try to anticipate these problems.

So if my honourable friend wants to get carried away on the same kind of uneducated miasma that seems to afflict the Minister of Finance - mind you he's been afflicted since birth with it - sometimes the Minister of Energy, and certainly one or two ill-informed columnists in the local print media, if he wants to join that crowd and talk about lawyer's cushions as being something that really went to the heart of the agreement, well then, let him get out and stay out on the fringe of reality as much as he wishes.

But I can tell him and anybody on this side of the House and anybody who has negotiated development agreements can tell him - and I would hope as a young man that he would learn this early in his career - that that kind of fail-safe arrangement, lawyer's cushion, is put into large development agreements as a matter of course, not because it's substantive, but because it represents a means whereby disputes that haven't yet arisen might be resolved in the event that their resolution by other means does not come about. — (Interjection) —

Well, Mr. Speaker, I hate to waste good time on such an infantile question, but apparently infantile questions are the occupation of the day with the NDP in this province and with their sycophants in the press, because they have to pick on something - if they're going to say, as the NDP are saying, as their principal sycophant in the press is saying, that the NDP are tougher negotiators than the Tories. Well now, Mr. Speaker, if the NDP are tougher negotiators than the Tories, as the Minister of Finance and the Minister of Energy would have you believe and one other person in the civilized world would have you believe, then why is it that under this preliminary arrangement that we have heard about, the people of Manitoba are going to be asked to put up all of the capital for the Limestone generating plant, as opposed to 60 percent of the capital, roughly, under the Alcan arrangement? All of it will now have to be put up by the people of Manitoba. Why is it that the people of Manitoba, Mr. Speaker, are going to pay half the capital cost of Alcoa, if this is such a tough arrangement that the NDP have negotiated, as they would have us believe? Why, Mr. Speaker? Why, to get right to the point of the bill that is before us - the Capital Supply Bill - why are the people of Manitoba participating in the cost of the feasibility study, Mr. Speaker, if this is a better deal, as the NDP are trying to lead the people of Manitoba to believe it is.

Mr. Speaker, I have said before, and I say again today, I think that thoughtful prudent people have to reserve judgment as to whether or not this is a good deal until we get more facts. I'm prepared to reserve judgment. I just say that the tendencies that I see bother me. I don't see why the people of Manitoba's credit - to the extent of another billion dollars - should be put on the line to get Alcoa here, when it didn't have to be put on the line to get Alcan here. I don't see why the people of Manitoba are participating in the feasibility study through their tax dollars, when they didn't have to under Alcan.

I remember very well the President of Alcan and the executives of Alcan when they met openly with a committee of this House, saying that Alcan didn't want a 5-cent piece from the people of Manitoba. They didn't.

They didn't want any form of subsidy. They didn't want any form of participation by the people of Manitoba at all, and yet, Alcoa - this tough deal that we've only seen the outline of - they want half of the participation by the people of Manitoba and they want the people of Manitoba to pay all of the capital costs of developing the hydro generating station, which will be in large measure, used by them.

Well, Mr. Speaker, if that's a tougher agreement and that's a better agreement for the people of Manitoba, then we do have to await further facts, don't we? Because on the basis of what we've seen so far, we're not getting a very good deal, unless, of course, as some professor said on TV a week or two ago, that this was a textbook case of government participation in an industry. Whose textbook? Marx's? It certainly wasn't a textbook of modern-day industry. It certainly wasn't a textbook derived, Mr. Speaker, from the realities of what's going on in the Western World today with respect to Crown corporations, or as the British call some of them, quangos, or words to that effect. That's not what's going on in Canada today or in the Western World.

Mr. Speaker, the problem today is that the vehicle of Crown corporations, either in partial or in full ownership of competitive - that is worldwide competitive industries - has been proved empirically to be probably the most inefficient way to go. Otherwise, why is it that these organizations are being privatized in countries such as Great Britain? In fact, I think the professorial type who was on TV used the example that this would be not unlike British Steel. My God, British Steel, as though anyone would recommend a Crown corporation like British Steel as an example that we should emulate here in the Province of Manitoba when Margaret Thatcher and her government are trying to privatize it, get it back into entrepreneurial hands, in order that it might have some faint hope within the next decade of turning a dollar.

Crown corporations, Mr. Speaker, by and large have been proved - not in every case, but in most cases - to be inefficient means of producing products, inefficient means of administering matters, whether it be the Post Office, DeHavilland Aircraft, Canadair or any of the other disasters that you want to quote from, that are replete in the history of this country.

The CNR, somebody across the way might say, is that a disaster? — (Interjection) — Mr. Speaker, straw man, says the man who didn't know what the initials CNR were 15 years ago. Mr. Speaker, not a straw man to Canadians, because we happen to know that the CNR's debts have all been wiped out by Parliament in order to make the balance sheet look a little bit better today. That's what Parliament does to cover up its errors with respect to Crown corps. It wipes them out. Sure.

It's just like the Member from Brandon East did with McKenzie Seed, he just wiped out the debt. He had the government take more equity and it made McKenzie Seed look healthier, he thought, until we got the report this year, which showed that they were deeper into the glue than ever, even though their debt had been covered up by this administration.

Somebody, again, the recent member from where ever, the one who doesn't know what the CNR stands for yet, he says, "What about Massey-Ferguson?" Well, Mr. Speaker, what about Massey-Ferguson? Ultimately

the shareholders are paying for Massey-Ferguson and if you want to go out and buy shares in Massey-Ferguson you can do it in a market today and you can take your risks. One or two governments have signed notes on their behalf, but they haven't mailed them out; they haven't put money in as this government did with respect to McKenzie Seed. There is more than a shade of difference, and there is still entrepreneurial management at places like Massey-Ferguson, which will give them some opportunity of coming out of the fever swamp that men and women with the minds such as the Member from - Where's he from? - River East, one never knows where he's from, from River East, yes. Where's he going? God knows, yes.

Mr. Speaker, well, we know where he's going. He's going right out of this House with his tail between his legs after the next election.

**A MEMBER:** Where did he come from?

**HON. S. LYON:** Well, Mr. Speaker, those are some of the things I think we have to address ourselves to when we're talking about \$5 million worth of public money going into a feasibility study for Alcoa.

Mr. Speaker, let me remind the Members of the House, particularly some of the new ones, even the ones who don't know what CNR means, let me remind them, Mr. Speaker, of what happened in the late '70s and the early '80s.

I referred the other day, and I know other colleagues of mine have referred to the fact that in the '70s, the earlier version of this incompetent government, the Schreyer version of it, Mark I, overbuilt the capacity of Hydro in Manitoba to the cost, for all time, of about \$500 to \$600 million.

My honourable friends, some of them will nod in wonderment at that, but all they have to do is to read the Tritschler Report where it is amply documented as to what was done. The Schreyer government, Mr. Speaker, built hydro generating capacity in Manitoba that wasn't needed. It built hydro generating capacity in Manitoba to prop up the economy to make the statistics look better for the purposes of its own re-election. It was that crass, that crude, that coarse.

Mr. Speaker, when we came into office in 1977, we were faced with a hydro generating facility that was being completed on the Nelson River that wasn't needed. We were faced with an oversupply of hydro-electric generating capacity that was about 40-50 percent of the total generating capacity of the province - What do you think of that, Mr. Speaker? - because the Schreyer government had overbuilt the capacity in Manitoba. So, being reasonable people, we said, "Well we're faced with this disaster, the people of Manitoba have this disaster on their hands, the hydro rates to the ratepayers in Manitoba had accumulated at a cumulative basis, Mr. Speaker, of 150 percent over a four-year period in the '70s because of the mismanagement of the Schreyer hydro crew. Brilliant bunch. We used to think, Mr. Speaker, that they were bad, but oh, how wrong we were, until they were succeeded by the greatest group of incompetence, the present government of Manitoba.

Mr. Speaker, faced with that kind of overcapacity in the system, we started immediately, as a development

process in this province, the idea that we must attract to this province power-intensive industries.

**HON. A. ANSTETT:** Why did you have nothing after four years?

**HON. S. LYON:** Mr. Speaker, I hear the third-rate liveried functionary who now sits temporarily as a member of this House. Perhaps, Mr. Speaker, he should go back to counting pages in Hansard, which found him butting into the Peter Principle as well.

Mr. Speaker, we caused studies to be made to find out which of those industries might be attracted to Manitoba. Mr. Speaker, we knew, and anyone who knows anything about the stabilization of hydro rates over a generational period, which is something we had prior to the Schreyer government coming into office, that one way to stabilize rates in Manitoba for the people of Manitoba, the principle domestic users in Manitoba, was to have industries coming on-line in Manitoba that were power intensive and could take up this overcapacity which the NDP had negligently built into our system. It was no easy task.

Consultations were made with a number of industries in the Western World, and Alcan being a Canadian company was approached. It wasn't as the NDP would try to tell you today, a kind of conventional wisdom, well, if B.C. has Alcan and Quebec has Alcan, then why doesn't Manitoba have Alcan? For the very good reason, Mr. Speaker, that Alcan, the Canadian company, had never located smelting capacity except on seaboard or with immediate access to seaboard. That is because it had to bring in the raw alumina by surface transport and its markets were worldwide and it could, because of sea transportation, take the smelted product back out to those markets.

When Manitoba came onto the scene and said, "Look we've got something here which we are highlighting by way of our five-year hydro rate freeze," which we had put into place concurrently, as I mentioned before, for two reasons; No. 1, in that period of high inflation to ensure that the people of Manitoba would get one inflation-proof service from the government; namely Hydro. That was important to people of fixed incomes, people on low incomes, to the Native communities and so on. No. 2, it was important to be able to demonstrate to the rest of Canada and to the world that Manitoba had here a resource, part of which was overdeveloped at that time, and still is overdeveloped, but also the capacity for further development in that resource of another 5,000 megawatts, approximately, which would support over the long-term, over a generational term, a power-intensive industry such as Alcan. Of course with energy prices doing what they were doing in the late '70s and in the early '80s, we knew that the energy costs for the smelting of aluminum were going to be fast escalating.

We commissioned studies to be done in the late '70s. They're in the possession of the Minister of Mines, the Woods Gordon Report, where we looked at the comparative rates of hydro-electric capacity that was available in Canada and the various provinces to industries such as Alcan. We found that we could be very competitive.

The negotiations with Alcan proceeded on the basis that the energy costs in Manitoba would be amongst

the lowest in Canada, even though their transportation costs to bring the raw product, the alumina, to the centre of Canada by rail would be increased over those costs that would be apparent in Quebec or in British Columbia with their access to salt water. The discussions went on because, as I say, Mr. Speaker, it wasn't conventional wisdom then that a province such as Manitoba could attract an aluminum company, because that just hadn't been done in the experience of Alcan in Canada.

After further discussions and negotiations took place, Alcan allowed that a feasibility study was worthwhile, a feasibility study that I hasten to underline, Mr. Speaker, Alcan paid for. Alcan paid for, not the taxpayers of Manitoba. That feasibility study showed just what we have been talking about, namely, that the price of power in Manitoba was favourable enough to offset the increased transportation costs of bringing in the alumina principally through Pacific Coast ports to the smelting capacity in Manitoba, and then to disperse the smelted product, as Alcan had then some plans of doing, into principally the U.S. market.

Alcan had gone further and had discussed with the Canadian Pacific and the CNR - for the benefit of the Member for River East, that's the second railway in Canada - had talked to the C.P. and the C.N. about bringing in alumina, and at the same time potash going back from Saskatchewan, and in those days the prospect of potash from Manitoba, so that you wouldn't have hopper cars deadheading their way back to the West Coast. They could pick up marketable product in Western Canada and go back, and this was a good deal as well. It was shaping up to be a good arrangement, efficient transportation arrangement both for the aluminum company and for other bulk shippers in Western Canada. It seemed to be knitting together very well.

Mr. Speaker, I mention this at some length because to hear the Minister of Energy talk today, why, this all happened over night, and as a result of the superior negotiating power of himself and God knows who, his hack Deputy and one or two others that he's imported from Saskatchewan who still need a traffic map to find their way to Lac du Bonnet, all of this preliminary work had to go into place before it even became apparent in 1980 that there was an economic feasibility study that would hold water that would make it worthwhile for an aluminum company to locate in Manitoba.

So I mention this background only to destroy the half-truth, one of the thousand half-truths we hear every week from across the way, that somehow or other this government across the way manufactured an aluminum plant for Manitoba. They didn't, the idea preceded them.

I must give them some contribution though, these socialist planners, particularly the Minister of Mines and Energy. Remember, he was the head of the Planning and Priorities Committee. He was the chief honcho who was doing a lot of the planning for the Schreyer Government in those days, feeding at the public trough and coming up with all these marvellous ideas like the expropriation of Chinese food companies and, oh, all of the marvellous things that Planning and Priorities had the government doing. You remember they were going to vertically integrate the dairy industry? I'm sure he was at the bottom of that too, and all of the other wonderful ideas that they had in those years.

Well, Mr. Speaker, one thing, we can give the Schreyer Government some indirect credit. Through their vast incompetence and their political interference with Hydro, they had created an overabundance of Hydro supply in Manitoba which we, as a responsible government, got to work on and started to sell, Mr. Speaker, and signed some agreements.

Mr. Speaker, I see the old Communist has come back to his seat, the Attorney-General. Well, well, isn't it nice to hear his contributions? Very nice to hear the KGB, to hear the voice of the KGB in Manitoba is back in his seat. Aren't we delighted to see him? I'm sure he has just come from being in touch with some of his friends on the Moscow Olympic Committee to find out what coup they pulled today.

Mr. Speaker, Alcan, I repeat, was seeking no subsidy, was seeking no capital for a plant, was seeking only a guaranteed, long-term economic power supply. Mr. Speaker, we're well aware of what the NDP did to that agreement. They scuttled it; they dropped it like a hot potato. Now four years later, they come along with another agreement, the merits of which we're going to have to take a look at.

They attacked the Alcan agreement when they were in opposition. Remember the panic headlines about the environmental scare? Oh, it was going to be terrible. The Minister of Mines and Energy the other day said they've got a wide-open field. Alcoa have a wide-open field as to where they'll locate - not Alcan. Oh, no. When the Tories were negotiating an arrangement, it had to be purer than untouched baby's bath water to satisfy the bearded Minister of Mines and Energy. Oh, yes. Now, how their tune has changed as they bootlick their way back into an agreement that they should have signed two-and-a-half years ago, Mr. Speaker.

Mr. Speaker, all of the developments of Alcan have gone to B.C. and to Quebec. Mr. Speaker, we know that probably we're not going to see Alcan in this province again at least until we have seen the last of the NDP. Manitoba has enough power for two or three smelters. I'm sure that the Member for Tuxedo when he becomes Premier before too long, before too many months I would think, will probably start negotiations again with other aluminum companies, because Manitoba has the power capacity to attract.

Remember what the biggest red herring was? - and I use the term advisedly. They said Manitoba was going to sell its birthright. We heard those words echoed the other day by the Minister of Mines and Energy as he was trying to pull out the other half-truth from those days. Yet, Mr. Speaker, he sits with a report in his possession which he won't give to this House, but others have seen it. The Free Press have seen it, the Chase Econometrics Report which he says conveniently that's just the first report. I wonder what the second one is going to say.

He says conveniently that the Chase Econometrics Report, or he overlooks that the Chase Econometrics said that ownership by Alcan of generating facilities in one plant in Manitoba for the purposes of an aluminum smelting plant was a red herring. That's what it says, Mr. Speaker. He's got the report, and if it doesn't say that let him produce the report right now. Let him produce the report and show us where it doesn't say that. Well, I've seen it, Mr. Speaker. The Free Press have seen it, Mr. Speaker. He's seen it, Mr. Speaker.

Why doesn't he produce the report, and let us all see it?

Mr. Speaker, you don't have to be a financial wizard to know that if somebody puts up capital at the front, you can amortize the cost of that capital towards the end of the agreement, or you can sell power at the beginning of the agreement that will result in the same kind of amortized costs to the vendor of the power at the end. Even my honourable friend, the Minister of Mines and Energy, should be able to understand those basic mathematics. That's what Chase Econometrics told him; that's what we were telling him. There was no magic, either in ownership or in the putting up of capital or in taking a price. The only magic in their minds was the ideology magic. Mr. Speaker, I say to you that we have to wait and see how good these people are at negotiating.

The danger point, as I said the other day and as I conclude my remarks today, is that these people will find as they did in the '70s some phony, uneconomic pretext to start construction on Limestone before that construction has started, and we won't let them get away with it, not this time. We don't want to have to have another Royal Commission into their malfeasance, nonfeasance, and sheer political interference in Hydro as we did in the '70s and have them found guilty again as they were in the '70s and in the '80s.

Mr. Speaker, here's the old Communist from his seat talking about Switzerland. Wasn't he one who stood at the honour guard for Stalin's funeral in Winnipeg, does he remember back that far? — (Interjection) — We'll test his memory one of these days, and see how good his memory is with respect to matters that he may not want to recall that are true; yes, Mr. Speaker.

So, Mr. Speaker, I merely say if the honourable member doesn't want his background recalled, let him keep quiet which is hard for a Communist to do. — (Interjection) —

**HON. R. PENNER:** Go ahead, take up more of your time doing it.

**HON. S. LYON:** So, Mr. Speaker, I don't blame Alcoa for entering into these preliminary arrangements or agreements with the government. They know a sucker as well as anyone does. I merely say that we have to, all of us be extremely vigilant because this government is on the verge of doing anything to save its own political neck, and it's our responsibility to make sure that the public interest is looked after because they won't do it.

**MR. SPEAKER, J. Walding:** Are you ready for the question?

The Honourable Minister of Energy and Mines.

**HON. W. PARASIUK:** Mr. Speaker, I thought maybe we might have expedited some matters in the House, but I see that the pipsqueak came in from the cold. He hasn't been in here very much, Mr. Speaker, and when he comes in he degrades himself and he degrades the House. Surely, after about two years we can have some rational comment from him, but I gather that he still is the de facto Leader of the Conservative Party no matter who is the nominal leader, he's still the person

calling the tune, Mr. Speaker, and he's calling a terrible tune. He's calling a tune based on ignorance, Mr. Speaker, but that's expected from the ilk of him.

Mr. Speaker, that great so-called businessman is out on his knees begging in the business community for a job, and you know what the business community says to him? No dice! The only thing he can do is to go back to his own law company, Mr. Speaker, because the people out there know the quality of that person whose negotiating skills are so amazing. The person who would sign the deal with Kasser and then — (Interjection) — I have, in fact, heard the quality of him. It's rather interesting the Conservatives will sit there and come in with personal attack after personal attack and when one rises to defend himself against that type of innuendo which has been heard here in the House for a long time, then they start squealing.

Let him go out and defend the Kasser Agreement which he signed and then said he didn't sign. He couldn't remember it. This person who has convenient amnesia - remember the John Harvard Show when he looked John Harvard in the eye and said he wasn't getting any money under the table - that is the integrity of that man who had to be told that he was getting \$3,000 under the table and had to crawl back and tell people that. That is the type of person we are dealing with.

The sad thing is that the general public is coming to the conclusion — (Interjection) —

**HON. S. LYON:** Some Rhodes Scholar.

**HON. W. PARASIUK:** A lot better than you ever were, man, a lot better than you ever were and ever will be.

The point is — (Interjection) — that the man is sounding demented as he did during the Budget Debate. This person comes in every once in awhile, hides behind that flowerpot and acts less sensible than the flowerpot. — (Interjection) — Not me, look at his red face.

**HON. V. SCHROEDER:** Now he refuses to admit the dirty deal he signed.

**HON. W. PARASIUK:** Yes, he's refusing to admit the Kasser deal. He is now misleading the House as to their negotiations by saying that the Government of Manitoba under the Conservatives only had a right to purchase the plant. That's complete and utter nonsense; the type of misleading of the public this man has indulged in throughout his political career that I've seen him in the House.

It said that after if they could not reach agreement, Manitoba had the right, and after three years of negotiation that the government — (Interjection) — will offer to sell its undivided ownership in the power station and the smelter, and the government . . .

**MR. SPEAKER:** Order please.

**HON. W. PARASIUK:** . . . shall agree to purchase both assets at their fair-market value; shall agree - that's different than having the right to agree after three years. After three years they had to buy it and we have just been misled in this House by the former Leader of the Conservative Party who is now suffering from convenient amnesia, Mr. Speaker.

**MR. SPEAKER:** Order please.

**HON. W. PARASIUK:** No wonder the business community doesn't want to have anything to do with him. Would you want to want someone like that with that convenient amnesia negotiating anything for you? The people of Manitoba don't want him negotiating anything for them.

Again, Mr. Speaker, we have the demented approach of the sad, sad spectacle who hangs in the back seat embarrassing his nominal Leader, still calling the tune, acting like the puppeteer, telling the Leader of the Opposition when to get up, when to sit down, when to walk out of the House, when to call a vote, when to not to call a vote. Can't you people follow your real Leader? Didn't you elect this person as your Leader? Why do you always turn around and look at him? Why do you always let the tune be called by him? Let's face it, he isn't giving you the straight goods, he's not giving the people of Manitoba the straight goods. He crawls in from the cold every once in awhile, and, in fact, misleads you all.

Now, that's the interesting thing that you would still follow him. It is a sad case when this man comes in out of the cold once every two weeks. You would think that in his final days in the House that he would try and show some dignity, that he would actually try and tell the truth, that he would actually try and deal with the facts and deal with the issues, but he can't do that, and it's rather a sad case. — (Interjection) — The truth is very clear, Mr. Speaker. What we have is a person who is washed up, who is washed out, and, Mr. Speaker, who is going to be put out there finally to be hung out to dry.

Here is a man whose contribution to Manitoba would have been to sell off a part of Manitoba Hydro. That is the legacy, having sold off a good chunk of Northern Manitoba to some dealers that he was wheeling and dealing with in Switzerland.

His second kick at the can was to try and sell off a piece of Manitoba Hydro to Alcan, and then try and tell the people that's not really what he was getting at; to have his colleague, the Member for Rhineland get up and say, we never were going to sell a portion of Manitoba Hydro to Alcan - that's on the record - isn't it astounding that two years later they would try and disclaim that; disown that, disown his own Leader. — (Interjection) —

**A MEMBER:** It wasn't a sale.

**HON. W. PARASIUK:** It's not a sale when someone owns 40 percent.

Now what is a sale if a person owns a big chunk of a Hydro plant, what is it when they had a draft Order-in-Council for Inco to own an aluminum plant - that's not a sale either. This is Conservative magic-in-wonderland business sense; Conservative blunder and businessman. This is the successor — (Interjection) — Not at all, I don't have to. The truth, Mr. Speaker, catches up with him just as it caught up with him with the Kasser deal, it's caught up with him with the Alcan deal. The negotiations are under way with Alcoa.

Last year he laughed when we said we had negotiations under way. His fondest hope would be to

try and scuttle this, Mr. Speaker, because you see the difference between New Democrats is that New Democrats build things and get things done; the Conservatives wreck things. — (Interjection) — He is now saying that we chronically overbuilt. His attack on Hydro has been persistent and chronic. He has no respect in Hydro, he has no respect within the Province of Manitoba; that is quite clear.

**MR. SPEAKER:** Order please.

**HON. W. PARASIUKE:** That's quite clear, Mr. Speaker. This man is still calling the shots with the Conservative Party. He is completely and totally wrong in his facts with respect to the Alcan negotiation, he is completely and totally wrong in his facts with respect to the Alcan negotiation. He is completely and totally wrong in his facts with respect to the Western Grid. The sad thing, Mr. Speaker, is that he never kept on top of any of this. He talks about this background of research, an analysis done by them. His style was to do it on the back of an envelope over dinners, no notes available as to the negotiations. That is the way in which an incompetent government negotiates. They had nothing as a base. Their terms of reference were set by the people they dealt with. That is not the way to negotiate. You come to the party with your interest, they come with their interest, but you don't sit there and say, Manitoba's for sale, as they did in '66. You don't say, Manitoba's for sale, as they really did behind the scenes in 1977.

We say on this side of the House quite proudly, quite clearly that Manitoba is not for sale. We say quite clearly that it is possible to do developments with the private sector in a way that we can preserve the integrity of Manitoba Hydro, preserve the integrity of our resources, reap the benefits of resource development for all the people of Manitoba.

There is a complete and clear difference between the Conservatives and ourselves. They're prepared to give it away on desperation. We're prepared to hang firm as we did over a two-year period and negotiate a deal that is good for Manitoba both today and in the future. The people can judge that in two years, Mr. Speaker, because I'm pretty sure that they want him remaining in the dust heap of history while we, in fact, will go marching on.

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

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

If honourable members can control themselves, when this bill is next before the House the honourable member will have 30 minutes remaining.

## IN SESSION

### PRIVATE MEMBERS' HOUR

**MR. SPEAKER:** The time being 4:30 and Private Members' Hour, the first item on the agenda for Wednesday is Private Members resolutions.

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

**MR. SPEAKER:** Order please. Order please. Order please!

## RES. NO. 1 — RIGHTS OF ENGLISH-SPEAKING PEOPLE IN THE PROVINCE OF QUEBEC

**MR. SPEAKER:** Resolution No. 1.

### SPEAKER'S RULING

**MR. SPEAKER:** On Monday, May 7th, 1984, during Private Members' Hour the Honourable Member for Elmwood introduced Resolution No. 1 in the House. Several honourable members offered their advice regarding its admissibility and I took the matter under advisement.

Careful study of Hansard, and a good deal of research, revealed two questions which arose concerning the resolution and arguments advanced by the members.

Firstly, does the resolution, in fact, refer to Section 23? It may well be argued that the resolution refers to the wider question of special rights and privileges and the effects of provincial actions as they refer to language, however, such a wide reference would in large part contain Section 23, and it would be difficult to discuss the wider issue without reference to Section 23 and all it entails. The second preamble in the resolution, while not specifically mentioned yet, clearly refers to Section 23, its removal and reinstatement.

Secondly, if the resolution refers to Section 23 in the federal referral, does the matter thereby become sub judge and subject to the convention described in *Beauchesne*, Citations 335 to 339?

I am satisfied that the debate which occurred during the Second Session of the Legislature was conducted at a time when the *Bilodeau* case was suspended pending legislative action and therefore did not come under the definition of "before the courts." A different situation prevails today in that the case has been reactivated and a definite time has been set for the hearing. Therefore, reference in the resolution to Section 23 would be sub judge and the last sentence in Citation 338 (4) "The question cannot be before two public bodies at the same time," is in effect.

The sub-judice convention is referred to in Citation 335, which says in part, "It is a voluntary restraint imposed by the House upon itself in the interest of justice and fair play."

The very fact that the Honourable Member for Elmwood himself is a party to the Supreme Court case is a strong argument that justice and fair play would not be served by committing the member to argue his case in two places.

In summary, the first question would indicate that Section 23 is referred to in the resolution, and the second question would therefore indicate that the matter is sub-judice.

The resolution is therefore not in order.

## RES. NO. 2 — WESTERN CANADIAN GRAIN PRICES

**MR. SPEAKER:** Resolution No. 2, the Honourable Member for Morris has seven minutes remaining.

**MR. C. MANNES:** Thank you, Mr. Speaker.

I wasn't planning to rise again, but there are a couple of other comments I want to add on this resolution.

First of all, Mr. Speaker, just having had the opportunity to listen to the 10-minute presentation of the Minister of Energy, one sees very quickly why residents of this province, of course, at times want to tune out completely from proceedings in this House. I've never in the short time I've been in this House heard a presentation quite like that.

Mr. Speaker, the resolution speaks to the urgency and the plight of the grain producers within this province. Mr. Speaker, I indicated yesterday some of the hollow concerns that I heard coming from members opposite, maybe not in dealing specifically with this resolution, but their actions in dealing with resolutions of other years and their comments in general on agricultural matters. I couldn't help, Mr. Speaker, bring up two other points that again show, at least to me, this government's lack of commitment to the grains community within this province. I find it strange that the NDP pledge such strong support for the family farm and yet for instance are unprepared to match the Mennonite Central Committee's support to those Interlake farmers who were so desperately in need.

Mr. Speaker, I think at this time and age we're looking far and wide to again see come into society where people are prepared to give direct help, direct commitment out of their own resources, other than seeing tax dollars funneled through by way of government. Yet this government was unprepared to accept the request for the Mennonite Central Committee and aid those aggrieved farmers in the Interlake area, specifically in the Riverton region, Mr. Speaker. Of course, I've spoken at some length on the refusal to support, in two Sessions now, our resolution dealing with the federal sales tax on farm fuels.

Mr. Speaker, what I find even more intriguing is that the Minister of Agriculture has refused to not become involved in any degree whatsoever in the issue of dealing with these new American semi-dwarf grains. Of course, as we've pointed out on other days, when pressures, cost-price squeezes begin to find themselves being imposed upon farmers, that they will, of course, turn to major areas of increased production. That is their only manner of which they can find survival, and I find it odd that the Minister of Agriculture sees fit not to become involved in the whole area of major increases in production as to whether the newer, higher-yielding grains should be allowed to be grown within this province.

So, Sir, it's on that that I condemn this government in part. Even though they pay lip service to our resolution, I say that actions speak louder than words. It's on this basis that I hope that every member opposite will see fit to come forward and put some integrity and sincerity into their remarks, specifically regarding this resolution.

Thank you.

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

**HON. J. STORIE:** Thank you, Mr. Speaker.

I appreciate this opportunity to speak to this resolution. Despite the fact that my portfolio does not

deal directly with the resolution before us, I want to say that I speak to it with a good deal of sincerity and certainly support the sentiments expressed in the resolution. I suppose, coming from a farm background and having my roots in the grain producing part of this province, I am very much aware of the plight of the farm community, the difficulties they experience from time to time in what is a very trying industry because of the tremendous number of factors which impinge upon their ability to make a living.

But, Mr. Speaker, I have to take exception to the remarks from the Member for Morris when he decries the activities of this government, the actions of this government, when he suggests that it's time to speak with actions rather than words. Mr. Speaker, I don't think that any government has or had as dismal a record as the previous government with respect to its activities to support farm living, farm communities.

Mr. Speaker, this government has made every effort possible, given the difficult times, to deal with what are the real problems of the farming community. Mr. Speaker, while I support the sentiment of the resolution and can support with some enthusiasm the conclusion of the resolution, I'm afraid that what is missed by members opposite is that what we are being asked to do, in effect, is to continue to support a system which has unfortunately many shortcomings.

Mr. Speaker, what we're attempting to do by this resolution is not to deal with the causes of the problems, not to deal with the long-term solutions, but it's attempting to deal with one of the symptoms. Mr. Speaker, there is no denying the fact that farm incomes are harmfully, dangerously low, that many of the farm communities, many of the farmers in this province are suffering, are in jeopardy, because of factors such as are identified in the resolution: high interest rates, high production costs, low grain prices.

It seems almost automatic for members opposite, when faced with those particular circumstances, to suggest yet another way of resolving the problem or is it resolving the symptom without solving the problem? Mr. Speaker, I spoke one other time on a very similar resolution and members opposite perpetually propose these resolutions, and I suppose when they were in government they proposed similar resolutions, but again they did nothing.

Mr. Speaker, let's deal with interest rates. It wasn't that long ago, about two-and-one-half years ago, when the interest rates were a serious problem. They are on the brink, I suppose, of becoming a serious problem once again not only for the farming community but for the economy of the province and the economy of the country. But what did that party, what did members opposite do with respect to rising interest rates? Where did they stand? I'm not sure that they're in exactly the same position with respect to their policy today, at least not federally, as they were three years ago. I think we hear the current leader of the federal Conservatives suggesting that high interest rates perhaps are not in the best interests of the nation, that perhaps he would take some measures, adopt some measures to attempt at least - and perhaps no one can do it all - but he would take some measures or adopt some measures to attempt to stabilize interest rates, to attempt to deal with them in some new imaginative way, to prevent the kind of damage that occurred across this country and

throughout North America, when we were faced with interest rates in the range of 18, 20, whatever percent.

So, Mr. Speaker, I think the opposition have correctly identified one of the problems that are facing farmers when they talk about high interest rates. I'm not sure yet that they have come to grips with what the solution is. Mr. Speaker, they are the first to belittle any attempt on the part of this government or any other government perhaps to deal with the problems people face by supporting them with grants, with assistance in one form or another. They're the first to say that isn't the real solution, but for some reason they don't want to deal with the real problems. They don't want to solve the long-term problems of the farm industry. They want to deal with the symptoms by providing grants, assistance, subsidies, improving the incomes, rather than rationalizing the agricultural industry as a whole.

Mr. Speaker, I, one other time, talked about production costs being another factor - and it's identified in the resolution - which farmers have no control over. It's an unfortunate fact and I suppose there are very few industries that have significant control over their production costs. The farm community is at even more of a disadvantage because it is not labour intensive. Labour is something that is negotiated. Labour costs are something that are generally negotiable and — (Interjection) — I'll get to that. Mr. Speaker, the Member for Morris wants to know why we haven't been able to stay competitive in the world.

Mr. Speaker, if I may back up, labour costs are not generally part of the problem that is facing the farm communities. Mr. Speaker, the production costs that are most serious for the farmer are fuel costs, fertilizer costs, interest costs, of course, and machinery costs - factors over which they have virtually no control.

So they're in a difficult position and I have said on other occasions, and I think that members on this side and I suppose that the parties support the principle, that the only viable way for farmers to maintain a profitable existence is to supply what they do have control over and that is the commodity that they produce. That's one of the variables in a profitable enterprise that they have some control over.

Mr. Speaker, I have talked before about the efficacy of supply management enterprises, and in this province the farmers are remaining viable, who are succeeding, who have some stability and some assurance that they will be able to make their next payment - for whatever, machinery or whatever - are the farmers that are involved in some way or another with management, with supply contracts, who know that if they go out this fall and they know their production costs, and they go out and they plant corn, potatoes, rape, whatever, that they're going to be able to sell their crop because they're going to be able to market it, that they're not at the whim of the international market, that they're not dealing with the vagaries of supply, which is influenced by the production levels of however many other countries that produce wheat and similar products.

So we have to be a little bit imaginative. We have to be willing to start examining alternatives to the current practices that exist in the farming industry and the current policies which exist, particularly on the national level, but I suppose the traditional approach that is taken to support for the agricultural industry. I think we have to start looking at some alternatives.

Mr. Speaker, I think this government has approached the problems that exist in a somewhat different manner from members opposite. We have certainly heard criticism long and loud about attempts to deal with the real problems, whether it's the beef program which got less than rave reviews from members opposite. I remember the Member for Lakeside commenting - that's putting it mildly indeed, Mr. Speaker - that not 10 percent of the producers would sign up for the beef program. Mr. Speaker, he was proved wrong. I am not gloating on the fact that he was proved wrong.

I think that it's important that this program succeed, because it's in the long-term interests of those producers and it's in the long-term interests of the beef industry and the subsidiary industries that are related to the production of beef. It's in a province's interests that it succeed, because there is some hope for stability. Mr. Speaker, in that program, there is some recognition that farmers are faced with production costs over which they have no control, and there is some recognition of the fact that if we're going to maintain a stable industry, if we're going to have an industry that we can look to improve our economy and improve the job prospects for our young people, then there has to be a stable industry.

So members opposite, Mr. Speaker, don't seem to be at all consistent, at all truly supportive in what they suggest should be done for the farm community. Because, Mr. Speaker, what they're doing is saying let's subsidize the farmers further, let's throw more money on the table, in this particular resolution, but let's not deal with the real problem. Mr. Speaker, there are other inconsistencies in what members opposite have said over the past two years anyway.

Mr. Speaker, the Minister of Agriculture and other members in this Chamber have also dealt with the question of where the members opposite were when the Crow rate was being debated. What was their original stance on whether the Crow rate should be changed? What was the Member for Morris' stance on whether the Crow rate should be changed? Mr. Speaker, there is something on the record, and it resembles a pretty wavy line. I would hesitate to say, in fact, I would find it difficult, and I believe it would be difficult for anyone to read the early speeches made by members opposite with respect to the Crow and determine whether they at that point had a policy.

We know that their federal counterparts did not have a policy that supported the retention of the Crow. Mr. Speaker, we know that some members opposite were already firmly convinced that the Crow rate should be abolished. Mr. Speaker, it was pointed out to members opposite at a joint briefing session what the costs to the average farmer would be when the Crow rate disappeared, and those costs are extremely significant to the average grain producer. Mr. Speaker, we have to wonder how sincere resolutions that come forward year after year from members opposite purporting to express concern and disappointment with the plight of the farmer when their own policy is time and time again inconsistent with the long-term best interests of the grain producers and the farm community generally.

So, Mr. Speaker, as I indicated when I began, I have no disagreement with the general intent. I have no disagreement when the Member for Roblin-Russell who introduced the resolution says that farming is an

important aspect of our economy. No one denies that. Mr. Speaker, I have no quarrel with the suggestion that the farm community is generally in trouble.

What I do quarrel with is: (a) the suggestion that this government has not attempted to deal with the problems that face the industry in a realistic way. I reject that categorically. I'm not suggesting that we have overcome by any means the problems that they face, but I think we've tried to identify the factors which are creating the dilemma and tried to deal with the factors.

Certainly we all know that the farm income shortages create problems. Whether the most realistic solution in the long run is simply to provide cash in hand and saying, well, you're short of cash, that's part of the problem, or that's the symptom, let's throw money in. I don't think in the long run that pleases either the taxpayers that pay for it or really supports what we all want to support, and that is the farm community. So I think we have to try something different.

I think that the farm community generally will also be supportive of our initiative with respect to the Port of Churchill. I think there will be a growing awareness that the development and the enhancement of that port facility as a facility for the transportation of grain, the shipment of grain, will also become an important alternative to them as we move into the next five-year period as the effects of the new grain transportation agreement come into effect.

So, Mr. Speaker, I think that on the whole the record of this government has been moderately successful, but I think more important than the success that we've had - and I don't care whether we're talking about the interest rate relief that we've provided. That's the kind of solution that, I suppose, we acknowledged and certainly they acknowledged was temporary at best. We didn't propose the Interest Rate Relief Program as a be-all, as a panacea for the problems that were being experienced by high interest rates. We said we're going to try to do something to moderate . . .

**A MEMBER:** He said no farmer would lose their farm.

**MR. SPEAKER:** Order please.

**HON. J. STORIE:** Mr. Speaker, we attempted to deal with a problem in a way that I usually find Conservative policy is consistent with. Usually they say throw money in. It's actually not a New Democratic and it's not this government's first choice with respect to problem solving.

So the Interest Rate Relief was an attempt to deal with some of the problems, Mr. Speaker, and the 1,000 farmers or whatever the eventual number will be who received support under that program and assistance will be thankful. But, and this is an important but, it is not a solution, nor did we propose it as a solution to the continuing fluctuation of interest rates. It's a recognition that it isn't going to resolve the problem.

In a similar vein, we have attempted to deal with what we see as the real problems in the industry. We have not simply tried to deal with the symptoms. I believe that while in the short term, this resolution may have some immediate benefits to the farm community, it would relieve some of the pressure that's out there,

it is not the ideal solution by any means. I think it's unfortunate if members opposite, who continue to maintain that they represent the farm interests, continue with this kind of barren farm policy, because it is bereft really of any significant long-term solution to the problem that agriculture faces today. I think that it behooves members opposite to attempt to deal with the problems a little more constructively and a little more imaginatively than the resolution that's before us.

Nonetheless, Mr. Speaker, there are some immediate merits to the resolution. I suppose that what members opposite will receive from this side is some lukewarm support for the principles that are espoused in the resolution, and a hope that any new measures that are introduced to support agriculture will deal not only with the symptoms but the real underlying causes and look for lasting solutions to problems that are persistent and have plagued the agricultural community over many generations.

It's an important industry, one that we can't neglect. This government has not neglected it, and we will not neglect it. Mr. Speaker, it is too important to Manitoba's overall economy to neglect. We can only hope that as our policy evolves, as our policy is implemented, we will receive a little more support from members opposite than what has been forthcoming in the past.

Thank you, Mr. Speaker.

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

**MR. B. RANSOM:** Thank you, Mr. Speaker.

It's when I hear the Minister of Northern Affairs speak that continually reminds me of the huge gulf that exists between the philosophy of the members opposite and the members on this side. When I hear people in the public say that there really isn't a difference among politicians; if only they understood, Mr. Speaker, what socialism, social democratic people, NDP, whatever you want to call them, what that philosophy is. Mr. Speaker they can't accept the fact that agriculture is structured in a certain way and that the people who are participating in agriculture are basically satisfied with that structure. No, they have to change that. They want to turn it upside down and make it represent some kind of system.

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

**MR. SPEAKER:** Order please.

**MR. B. RANSOM:** Well, Mr. Speaker, the Minister of Agriculture says that that wasn't said. Well, it was said - if he would read what the Minister of Northern Affairs said. Mr. Speaker, the Minister of Northern Affairs just had 20 minutes to speak, he wasn't once interrupted by me, he wasn't once interrupted, I don't think by anyone else on this side of the House. Perhaps he could have the courtesy now, to extend that same courtesy to me when I'm speaking. He might learn something actually.

Mr. Speaker, the fact is he said that we don't want to deal with the problem. We don't want to be realistic. We're only dealing with the symptoms. What that means, Mr. Speaker, if we're only dealing with the symptoms, then, what he wants to deal with is the system.

He talked about production controls and contracts. Well, I'd like to hear him explain that business of contracting production controls on wheat and contracts for wheat, marketed on the international market. I'd like to hear him explain that further. When he talks about us not dealing with things in a realistic way, and I see how this Minister of Finance and this government come before the people of Manitoba with a \$488 million deficit, now gone to \$493, and tell us that it really doesn't matter, that really a lot of this is capital and we shouldn't be concerned about it. That's realism? That's a realistic way to deal with the problems they face? What about the industries that are closing up as a consequence of not being able to compete? Do we get a realistic response from the members opposite? When Swift Canadian was closing up in Winnipeg because of the changes that were taking place in the packing industry and the livestock industry across the west, did we get a realistic response then?

**A MEMBER:** No.

**MR. B. RANSOM:** No. They wanted the government to force Swifts to stay open somehow. When, was it Maple Leaf Mills, was closing down, we got the same kind of response from them, "Don't let that company close down." That's realism, Mr. Speaker, from them? That's realism? They go to the people during the election, and they talk about having to give a year's notice if you're going to go bankrupt and have to shut down. That's realism? They talk about getting security so that people can't be laid off, until it becomes almost an impossibility to lay somebody off. That's realism? They keep pouring millions and millions of dollars into losing industries because they have to compete with the multi-nationals. Somebody has to compete with General Motors, Mr. Speaker, if they're going to produce buses. So, it has to be the taxpayers of Manitoba that are going to stand ready to pick up the losses. Somebody has to compete with the multi-nationals in the seed industry, in the package-seed industry, Mr. Speaker, so the taxpayers of Manitoba stand ready to pick up the losses. That's realistic? That's the way this government deals with things, Mr. Speaker.

Well, Mr. Speaker, I've been listening to what these people have said and I've heard them say all those things, Mr. Speaker, and I don't think that that's realistic at all. I don't see that as being realistic.

Let's deal with the resolution that's before us that's put forward by the Member for Roblin-Russell. He says, "Be it resolved that the Manitoba Legislature recommend and urge the Government of Canada and the Canadian Wheat Board to at least maintain the existing grain prices and increase the initial domestic price of wheat." Well, Mr. Speaker, I don't particularly favour subsidies to any industry. In principle, I don't like it because it begins to distort the real structure of production. It distorts the real production picture, Mr. Speaker, but I know that there have been productivity increases in the agricultural community, the agricultural industry in this country, that haven't been matched by any other sector of primary industry. Who are the beneficiaries of that, Mr. Speaker? The real beneficiaries of that are the consumers of this country; that's who the beneficiaries are. Those farmers did that to a very

great extent because of the structure of agriculture, because it was competitive and because you had to become more efficient if you were going to survive.

Now, those members opposite may not like that kind of system, but that's the way it worked and that's why we've got the high level of productivity that we have and that's why the consumers of this country only have to spend about 16 percent of their disposable income on food. It's the competitiveness of agriculture. It's not the efficiency of the processors out there, the people that handle the stuff, it's the efficiency of the people that produce it. They've done that, Mr. Speaker, in the face of all kinds of taxes that go to subsidize other industries in this country. They do it . . .

**MR. D. SCOTT:** What taxes?

**MR. SPEAKER:** Order please.

**MR. B. RANSOM:** Well, Mr. Speaker, I hear, "What taxes?" This government just dumped \$20 million into Manfor this year. They're doing that to subsidize an industry that is losing massive amounts of money.

Mr. Speaker, the farmers are being asked to help pay that. They dumped \$1.2 million this year by way of a loss into McKenzie Seeds. The deficit is \$8 million at this point, and they put \$5 million in two years ago as equity. The farmers are being asked to pay that by way of subsidy to an industry that couldn't compete on its own.

If the member wants some examples, there's some examples. The farmers of Western Canada are being asked to pick up massive losses for Canadair, for example, on the national scene. We're being asked to subsidize that huge colossus that's going to consume us all, Petro Canada; they're being asked to subsidize that. At the same time, Mr. Speaker, those farmers are having to pay tariffs to protect inefficient industries in Canada, and what we do, what the farmers do, and especially the grain farmers, the wheat farmers, is sell on the international market, that is not only a competitive market, it's a subsidized market. That's where those farmers have to sell into. So on the one hand they've got the burden of taxes to subsidize losing industries in Canada, they've got tariffs to pay on the things that they want to buy and they have to market into the international scene where their competitors are being subsidized by governments.

Occasionally, Mr. Speaker, just occasionally, perhaps the best thing to do is for government to step in and to say, yes, this is a particularly serious situation at the moment, and we are going to make a subsidy and it's not going to be ongoing and continuing. It's not going to be the kind of thing that they get into in the European economic community. It's going to be a temporary type of assistance when it's needed and they know that that money, that's going to keep the basic structure of agriculture in place and keep farmers going, is going to be repaid in terms of efficiency and reduced cost to the consumers many times over.

It's not by accident that consumers here only pay 16 percent of their income on food, and I don't mind standing up and doing that. I don't mind standing up and asking for that. If the members opposite call it a subsidy and they don't like it, fine, then let's say we'll

back off the request for that. Just take that load of taxes off our backs, take those tariffs off our backs, as grain farmers, and we'll compete with the prices that we're getting today. You let us buy our appliances; you let us bring our refrigerators and our stoves and our microwaves and our televisions and our cars and everything else. You let us buy those. You let us buy our clothes. You let us buy the cotton goods. I was down across the line on the weekend, Mr. Speaker, and I know how you can buy things over there, but let us bring those in, and we'll compete.

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

**MR. SPEAKER:** Order please.

**MR. B. RANSOM:** How are our neighbours doing to the south in what regard?

**A MEMBER:** The farmers.

**MR. B. RANSOM:** Well, Mr. Speaker, I'm dealing with a situation that exists here, now, today, and I'm saying that what needs to be done is what's called for in this resolution. That's not a great step. But I'm saying if the members opposite don't like that, there's an alternative. Get the protectionist tariffs and subsidies and taxes off the back of the farmer then, who has to compete into the international market, let him buy on the international market. The farmers would like that. They would accept that situation and they wouldn't be coming here asking — (Interjection) — we'd sell on the international market, you fool, the same place they're selling now, Mr. Speaker. I get so sick of hearing that member.

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

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

If the Honourable Member for Inkster wishes to put his opinion before the House, he will have the same opportunity to enter into the debate, as any other member will.

The Honourable Member for Turtle Mountain.

**MR. B. RANSOM:** Thank you, Mr. Speaker.

Mr. Speaker, the members opposite aren't facing up to the kind of situation that exists in the agricultural community in this province today. We hear talk about what's been done by way of the Interest Subsidy Program, and I accept that the government has done some small thing. I don't think it was very effective. I don't think it fulfilled their promise, but they did some small thing. They have done something in the beef industry. We can debate the relative merits of that, but they have done something there.

But, Mr. Speaker, among a broad cross-section of the farmers there today, there is a crisis - and I tell you that word I know is overworked by people generally, it's overworked by politicians - but there is a crisis today and what is happening is that people who are nearing retirement, who have in fact themselves been reasonably successful as farmers, they've farmed for 40 years or more, 50 years and anyone who's farmed

for that long has had to be successful in order to survive. And what's happening today is that many of those people are losing their land. They are losing the homestead quarter, the home quarter, and the reason is that many of those people went out on a limb over the past few years to help the younger generation - the sons and the daughters - to help them get started into farming. Over the last couple of years a lot of those people have gone bankrupt.

That's a lot of the people that are included in this huge increases in bankruptcies that we've seen over the last couple of years, that's the younger generation. While one can feel a lot of compassion for them, Mr. Speaker, you at least know that with younger people, who have started into something and it's failed - they still have a lot of time ahead of themselves and they have a chance to start again or to start a new career in something else. But people who have reached retirement age, who have signed promissory notes or given mortgages on their property to help the younger generation, are now losing their land and the retirement that they had planned, based upon that land, is out the window and society is now going to have to pick up the cost.

Well I say that's an extremely serious situation when it's come to that point and I don't see the government even giving any recognition to that very special problem. I don't even see any recognition of it, Mr. Speaker. I still hear them talk about oh, when you were in government, you didn't do anything, and we brought in the interest relief. Well, that's history. It's today they're going broke, as my colleague from Lakeside said. It's today that they're being forced off the land.

If those members opposite think that they're going to turn the agricultural system upside down and change the structure, but you can't do anything until you change this basic structure of the system. Well they're not going to be of any help if they wait for that to take place. Here is one small thing that could be done, and why can't it just have the wholehearted support of the members opposite? Recognize what the grain farmers and the farmers generally of this country have done for the citizens of this country, for the consumers of this country. Recognize what they've done and give some small amount of help because you know, Mr. Speaker, that it will repaid many times. It may not be repaid directly, but it's going to be repaid many times, in terms of the efficiency that's maintained in agriculture.

I would caution the members opposite, at least think about it, that what will happen is that every time you change the system, so that you put artificial controls on production and on prices, you are going to make the system less efficient. In a world that is overcrowded with people, and where people are going hungry, and if the distribution system was working better, we would need and be able to use more and more food. What we don't want to do is create a system that doesn't produce. That's what we don't need, Mr. Speaker, and I keep hearing the Minister of Northern Affairs chattering away in the background here, going merrily on his way again - if he would look at what happens around the world.

There was an excellent article in the Economist a couple of weeks ago about what's been happening in Zimbabwe, and there's some very interesting things about agricultural structure in African countries, and

how the production has gone down in the countries where the collectivist co-operative system has been pushed upon them in Mozambique and other countries. And how in Zimbabwe the present farmers are resisting the government's efforts to do that, and consequently, their production continues to go up.

So, Mr. Speaker, what it has to do with us is that it's fundamental that if you put an individual on the land and allow that individual to use his or her capabilities to produce, they will produce. But if you place restrictions and impediments in their way and try and force them into a mold that people don't want to be into, then they won't produce. Why is it that in the Soviet Union such tremendously high percentages of certain products of their vegetable crops, and such, are produced on a very small percentage of the land that is privately owned. One shouldn't go around with blinkers on. There are so many examples internationally of how productivity is highest when you put people in a situation where they have the fewest constraints on their ability to produce.

So, Mr. Speaker, I just ask the members opposite to support this resolution for the small bit of good that will do for the agricultural community and back off of their ideological approach to turning the system upside down.

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

**MR. H. HARAPIAK:** Thank you, Mr. Speaker. I'm pleased to have an opportunity to make a contribution to this resolution put forward by the Member for Roblin-Russell dealing with the crisis in the agricultural industry. I find it very interesting that some of the comments that the Member for Turtle Mountain made about the production going on in world food production, because I just had an opportunity to represent the Legislature on a trip over to East Africa. I was in the country of Kenya, and while I was in Kenya I had an opportunity to take in some of the agricultural land that was in agricultural production.

**MR. C. MANNES:** We've been helping that country for 25 years.

**MR. SPEAKER:** Order please.

**MR. H. HARAPIAK:** As a matter of fact, the Member for Morris says they've been helping that country for 25 years. One of his constituents by the name of Toews is the person who is in charge of that research station in Kenya, and he asked me to pass his regards to Mr. Mannes whenever I saw him.

I've heard a lot of criticism of money that was being spent by our government in East African countries via CIDA, so while I was in that country I thought while I was that close I should take the time to go and see what was actually happening. I arranged the transportation and went down to the research station and saw the research that was being developed in that country. It was refreshing to see actually how progressive a farming community it had there. Most of the people who were in grain production were taking advantage of all the research that was being carried on by the Canadians that are involved in research,

improving the rust-resistant wheat, and they were taking advantage of the grain that had been produced. I was very impressed with the production that was going on in that country, and they also took us to some of the dairy herds, and under very primitive conditions, their production was quite favourable to the production that goes on in Canada in their production of dairy products.

We are dealing with a crisis that is facing the farmers in Western Canada this time, and particularly with this motion put forward by the Member for Roblin-Russell. There has been some criticism of our Minister of Agriculture for not having acted soon enough to deal with releasing some of the funds that are available to the Western Grain Stabilization Program and funds that do belong to the farmers of Western Canada. They have made their contributions to this program and it is their fund, so as many farmers feel that they should be released so they can use them now when the cash flow is short and they do require the funds.

I would like to tell you what some of the initiatives are that our Minister has taken. In March of '83 he has sent a telegram, and once again in February of '84 he's once again sent a telex. I'd like to read the telex into the record and I'll table it after I'm finished reading it. It is addressed to the Minister of Agriculture, Eugene Whelan, and it reads:

"Western Grain Stabilization Program. I wish to again re-emphasize the urgency of making changes in the Western Grain Stabilization Program so that it will be more sensitive to the financial needs of prairie farmers. It is clear the program requires a major overhaul when the fund continues to grow at a time when farmers are in acute financial straits with many on the verge of going out of business. I reiterate proposals made in my February 2, 1984, telex as to how the program may be made more sensitive to the farmers' needs:

(1) The first recommendation the Minister made was, "Reduce the averaging period to three years from the current five-year period. This will remove the impact on many very low years from the average at an earlier date.

"(2) Basic pay outs in a crop year in order to reduce the time lag between the cash flow period and the receipts of payments by farmers";

(3) The third point he made was, "Include an adjustment factor for increasing sales volume to the effect that increased volume does not fully offset price declines;

"(4) Compute net cash flows on a provincial basis to make the program more sensitive to more local farmer requirements;

"(5) Permit farmers meeting hardship criteria to discontinue paying contribution to the fund while maintaining participation by establishing a contingent liability to the funds for an unpaid contribution."

He concludes by saying: "I urge your immediate consideration to these changes to the program, and to move amendments to The Western Grain Stabilization Act during this Session of Parliament. If my proposed changes are adopted, the program's sensitivity to farmers' income requirement would improve greatly and would trigger a pay out at a time when farmers are in the greatest need." That was sent by the Minister of Agriculture, Mr. Bill Uruski. I would like to table that, Mr. Speaker.

Mr. Speaker, as members opposite have said, if it wasn't for their insistence, that we wouldn't have even

passed that resolution through the House urging the pay out. I can tell you that our Minister has very aggressively worked on behalf of the farmers to try and get funds released from the Grain Stabilization, because he does realize how bad the funds are needed at this time.

I would like to deal with this resolution, and deal with the first portion of it:

"WHEREAS Western Canada's farmers' production of wheat adds to an extremely important contribution to Canada's economy and balance of payment."

Mr. Speaker, I come from a rural area. Many people do not recognize the importance of the North at this time as an agricultural base, but I know, having been raised in an area of Swan River, of just how important agriculture is to that area. There is no question that you can go to any of these communities that are located in the rural part of the province, and you can see the amount of funds that are tied up in machinery at this time, and how many people are employed in the use of these, in the servicing and the selling of this equipment that is going on at this time, not only the equipment but also all the support services that are needed in the agricultural industry.

This morning, I had an opportunity to drive to the City of Portage la Prairie. There are many many millions of dollars that are tied up in machinery at this time. If there was more money flowing at this time, there is no doubt about it that the farming community does not sit on funds when they have them. They have a way of making the funds flow, and they have a great multiplying effect on the communities that they are servicing.

The second part of the resolution said:

"WHEREAS the effects of high inflation and high farm fuels, escalating interest rates and production costs and low grain prices have had a dramatic, negative impact on the net income of western farmers."

I've spoken to many farmers who have had their farms for many years and now they're getting into a new generation of farmers. The farmers who have been in production up until now have been stable, established farmers, but now because of the dramatic changes in the agricultural field, the young farmers getting into the area have had to expand and had to go out and borrow a lot of money, borrow funds to expand their farming base and to increase the size of their machinery, because the type of farming operation that was carried on many years ago cannot exist at this time. It just wasn't efficient enough and that's where some of the biggest improvements have been made in the agricultural industry in the efficiency of the farmers.

Not only have they increased their efficiency by increasing the size of their farms and the size of their equipment, but they've also taken advantage of all the new, improved herbicides and fertilizers and . . .

**MR. SPEAKER:** Order please.

When this resolution is next before the House, the honourable member will have 10 minutes remaining.

The hour of adjournment having arrived, this House is adjourned and will stand adjourned until 2:00 p.m. tomorrow (Thursday).