

## LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, 20 August, 1986.

Time — 2:00 p.m.

### OPENING PRAYER by Madam Speaker.

**MADAM SPEAKER, Hon. M. Phillips:** Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports By Standing and Special Committees . . . Ministerial Statements and Tabling of Reports . . . Notices of Motion . . . Introduction of Bills . . .

### ORAL QUESTIONS

#### Foreign Exchange Losses

**MADAM SPEAKER:** The Honourable Member for Morris.

**MR. C. MANNES:** Thank you, Madam Speaker, I address my question to the Minister of Finance.

Madam Speaker, in the House on July 23, I asked the Minister of Finance specific questions dealing with foreign exchange losses, specifically within the Japanese yen account. Four weeks later, Madam Speaker, as of today, the Canadian dollar continues to plunge versus the Japanese yen. The \$130 million loss within this fiscal year, that I indicated was the total four weeks ago, has now increased by \$70 million to \$200 million in this fiscal year alone.

Can the Minister indicate what actions his government is taking to hedge or safeguard against yet potential millions of dollars of loss within the Japanese yen account?

**MADAM SPEAKER:** The Honourable Minister of Finance.

**HON. E. KOSTYRA:** Thank you, Madam Speaker.

As the member knows full well, the provisions for that are shown on a yearly basis even though those amounts are not payable in any particular year, but over a period of time. As the member is also fully aware, the fluctuations of currency over time go up and down, so one has to look at the situation as it would exist over a period of time.

I would say, however, that if one would take the suggestion of the member opposite and only borrow in Canada and the U.S., and if one would compare as the member did with respect to the recent Swiss issue, to look at what happens with respect to the exchange rates between Canada and U.S., and Canada and the Swiss market, one would come up with a figure of additional cost to the taxpayers of the Province of Manitoba of some \$50 million. If one would accept the things that have been suggested by members opposite that we only borrow in those two markets, it would cost Manitobans over \$50 million alone just on the recent Swiss issues that the province has entered into.

**MADAM SPEAKER:** The Honourable Member for Morris.

**MR. C. MANNES:** Madam Speaker, the Minister indicates that our position is totally unhedged within the Japanese market.

I would ask the Minister, in view of the fact that the maturity dates of all these Japanese loans, approximating or totalling around \$1 billion will come due within the early 1990's, I would ask him what guarantee the people of this province have that our exchange, that our Canadian dollar will rebound versus the Japanese yen so as to allow us to prevent the massive and serious economic consequences of foolishly borrowing within those markets and having that foreign exchange go against us in such a major fashion.

**HON. E. KOSTYRA:** The member suggests that those actions were foolish. That is a wrong premise. If one looks at the overall borrowing of the Province of Manitoba, looking at both the situation as it exists with respect to exchange rates and with respect to interest rates, most of those borrowings were at rates that were considerably less, in terms of interest cost to the Province of Manitoba than it would cost in terms of borrowing in Canada, indeed as the member suggests, borrowing all in the U.S. market, that the savings overall are considerable in terms of the overall cost to the Province of Manitoba.

**MR. C. MANNES:** Madam Speaker, the Minister seems to take as a given the fact that we will continue to borrow in the area of \$1.3, \$1.4 billion every year.

A final supplementary, Madam Speaker. Is the government today taking any action to reduce our unhedged position within the Japanese market or is it going to continue to ride out this continuing loss, Canadian dollar vis-a-vis the Japanese yen and just pass on the massive responsibility of paying back those debts to the next government in place in the 1990's?

**HON. E. KOSTYRA:** As I've indicated in the past, the province has a strategy of looking at a number of markets with respect to the borrowing needs of the province, of the people of Manitoba. If one looks at the record in terms of the borrowing of this province in a variety of markets, over time you will see that there has been a net benefit to the Province of Manitoba, to the people of Manitoba by that strategy of utilizing a number of markets. If we were to adopt the strategy that was suggested by the member opposite recently that we do all our borrowing in Canada and the U.S., the cost to the taxpayers in Manitoba would be significantly more than the strategy that has been employed with respect to the borrowing by this government.

#### MTS - illegal kickbacks re MTX and subsidiaries in Saudi Arabia

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

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

My question is for the Premier. In the committee on Public Utilities and Natural Resources on Tuesday, August 12th, the Minister responsible for the Manitoba Telephone System was asked a question by the Member for Pembina as follows: A question to Mr. Mackling. "Is he aware of any such finder's fees, commissions paid to agents who maybe are lining up sales on behalf of the corporation?" It was in discussion of a kickback, Madam Speaker.

The Minister responded: "No, not to my personal knowledge nor have I been briefed by any senior staff on any arrangement like that." Mr. Orchard, I quote: "Mr. Chairman, has Mr. Mackling asked specifically of whether there are finder's fees, commissions to agents or payments to individuals? Has he asked those questions of MTS, MTX officials?" Response from Mr. Mackling and I quote: "Not in the full manner in which the honourable member has put the question right now. I have asked whether there are any payments that might be considered extra, without authorization, that sort of thing, and received a negative response to that. Moments later, the same question was put to Mr. Provencher who said, and I quote: "Mr. Chairman, I am aware of one payment. I found that when I was reviewing the accounts of SADL. I believe it was about a year ago."

Madam Speaker, four hours later, in question period, Mr. Mackling was asked a question by the Member for Pembina, which was, "Today in the committee hearing, Mr. Provencher indicated that he discovered an illegal kickback when he was perusing the books of the 50-50 joint venture in Saudi Arabia.

"Can the Minister responsible for the Manitoba Telephone System indicate to this House when he was informed of the existence of that kickback?", to which he replied, "Madam Speaker, I believe I was informed within the last two or three days in preparation for the review by the committee."

Madam Speaker, in view of the fact that the Minister, in committee earlier that morning, said he knew nothing of any of these kickbacks or special payments or unauthorized payments; and in view of the fact that that afternoon he acknowledged that he had been informed two or three days earlier, has the Premier investigated; to determine whether or not the Minister was lying when he told the committee that he had no knowledge or briefing on the illegal payment?

**MADAM SPEAKER:** The Honourable Minister responsible for MTS.

**HON. A. MACKLING:** Madam Speaker, I indicated in the House and I indicated in the committee, a subsequent sitting of the committee a week ago last Tuesday - oh pardon me, I've got another matter. No, I've indicated in the House that the answer I gave to that question was truthful. I had not seen or been briefed about any kickback or any unauthorized payment dealing with MTX or SADL, the joint venture company.

I had earlier, and I've had a lot of briefings, and I'll admit that; I had a meeting with staff when they advised me that there was an unauthorized payment that had been discovered, which involved the fully-owned subsidiary of Sheik Al Bassan, it was Al Bassan

International, the Datacom division. There was an unauthorized payment. It involved a Saudi Arabian, not a Manitoban. That matter had been dealt with and it didn't involve either MTX or the joint venture, so I answered that question.

I had asked specifically and it was a concern - and tomorrow the Honourable Leader of the Opposition will be able to question the members of the staff, Mr. Provencher, to review that with him. I had asked them specifically whether or not, included in the other expenses, there were any other unauthorized payments, and they categorically denied that there was any unauthorized payments within MTX or SADL. They did indicate there was this one unauthorized payment which was discovered, and it had been taken care of. It had involved a Saudi Arabian in the company fully owned by Sheik Al Bassan.

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

**MR. G. FILMON:** Madam Speaker, in response to the Minister of Education, I don't need to guess; I just need to read the testimony on the record. Mr. Provencher said, and I quote, "I am aware of one payment. I found that when I was reviewing the accounts of SADL." SADL is the 50-50 joint partnership between Sheik Al Bassan and MTX. The rest said, "I believe it was about a year ago." We're talking about a payment made by that company.

The Minister, Madam Speaker, as I have earlier indicated . . .

**MADAM SPEAKER:** What is the honourable member's question?

**MR. G. FILMON:** In view of the fact that the Minister denied in the morning any knowledge of it and acknowledged in the afternoon having known about it for two to three days, my question to the Premier is: Has he investigated to determine whether or not the Minister responsible was lying when he made that response in committee in the morning?

**HON. H. PAWLEY:** Madam Speaker, the Minister has provided a response and I think a very fair and comprehensive response as to that particular question. He's explained that to the House. I think there's an obligation on members of the House to accept the truthfulness of the Minister's response.

If there are further questions in respect to that particular area, the honourable member can further question either Mr. Provencher or the Minister in committee.

**MR. G. FILMON:** In view of the fact, then, that Mr. Provencher provided one answer to the committee and obviously different information to the Minister for his briefing, will the Premier not now recognize how contradictory these statements have been; how much misinformation is on the record; and how many instances we have of conflict of information between a Minister, senior staff, and the truth that ultimately comes out in documented evidence, and call a full public inquiry to get to the bottom of all this, and answer all the questions fully?

**HON. H. PAWLEY:** Madam Speaker, the major problem that members in this House and everyone, indeed, must have, is the refusal, the inability of the Leader of the Opposition to listen carefully to the explanations. The Leader of the Opposition clearly, for his own purpose of inquisition, wants to condemn, wants to engage in as much effort as he can to muckrake. I would suggest again, Madam Speaker, that the member that has been accused, the Minister of Telephones, be given a further opportunity to respond to the very serious allegations, unfounded, by the Leader of the Opposition.

**MADAM SPEAKER:** May I remind honourable members of Beauchesne Citation 322, which states: "It has been formally ruled by Speakers that a statement by a member respecting himself and particularly within his own knowledge must be accepted, but it is not unparliamentary temperately to criticize statements made by a member as being contrary to the facts; but no imputation of intentional falsehood is permissible. On rare occasions this may result in the House having to accept two contradictory statements of the same incident."

The Honourable Leader of the Opposition.

**MR. G. FILMON:** Madam Speaker, I have given ample evidence of the contradictory statement. I will move to another matter.

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

**MR. H. ENNS:** You lie every time you stand up.

**MADAM SPEAKER:** The Honourable Minister responsible for MTS.

**HON. A. MACKLING:** Madam Speaker, I wanted to indicate to the Honourable Leader of the Opposition that he will have an opportunity tomorrow to question Mr. Provencher . . .

**MADAM SPEAKER:** Does the honourable member have a point of order? Question period is not a time for debate.

### MTS - judicial inquiry re MTX

**MADAM SPEAKER:** The Honourable Leader of the Opposition with a question.

**MR. G. FILMON:** Madam Speaker, yes in view of the fact that there are a number of different pieces of evidence of wrong information having been given on the flogging, the most recent of which is in a July 29 interview with various officials of MTX with respect to the allegation of flogging; and on July 29 - just a matter of a couple of weeks ago - MTX president, Don Plunkett, and I'm quoting: "Denied the men's story saying someone is feeding . . ."

**MADAM SPEAKER:** Order please.

Is the honourable member quoting from a newspaper article?

**MR. G. FILMON:** Yes, I am.

**MADAM SPEAKER:** The honourable member, I'm sure, remembers Citation 362 which says "Reading telegrams, letters, or extracts from newspapers as an opening to an oral question is an abuse of the rules of the House."

The Honourable Leader of the Opposition.

**MR. G. FILMON:** Madam Speaker, in view of the fact that in an interview, the members of senior staff denied the flogging incident and denied the employment of Theresa Aysan as recently as July 29 of this year, will the Premier not now recognize that this thing is beyond him and beyond the scope of the kind of inquiry that he has put forward in a management audit and call for a full and complete public inquiry with powers of subpoena to get to the bottom of all this, instead of trying to sweep it under the carpet; instead of trying to minimize his political damage and get to the truth for the sake of the people of this province?

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

**HON. H. PAWLEY:** Madam Speaker, I've heard some references from time to time as to who was responsible for starting up MTX, and who was the father who gave birth to the MTX. Madam Speaker, it might interest members of this Chamber to know though this government was present at the birth, the seed was conceived by honourable members across the way, and let there be no misunderstanding about that, Madam Speaker.

Madam Speaker, . . .

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

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

The Honourable Leader of the Opposition asked a question. I'm sure his colleagues would allow him to hear the answer.

The Honourable First Minister.

**HON. H. PAWLEY:** Madam Speaker, in fact, that seed was conceived on October 2, 1981 in a letter to the Honourable Francis Fox by one Donald W. Orchard, Minister, which contains, "As these arrangements have been completed, I would urge you to use your good offices to ensure the participation of the Manitoba Telephone System," in reference to the operations in Saudi Arabia, that the then Federal Government was undertaking.

I would like to table this letter.

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

**HON. H. PAWLEY:** I think it's time, Madam Speaker, there be some straight talk in this House.

Madam Speaker, back to the — (Interjection) — honourable members say, "Back to reality." Obviously, Madam Speaker, they would prefer to live in the world of fantasyland rather than the world of reality and where indeed, MTX was conceived by honourable members across the way; specifically, the Honourable Member for Pembina. — (Interjection) — October 2, 1981.

Further, Madam Speaker, in respect to the question that was specifically posed by the Leader of the

Opposition, we have already clearly indicated on numerous occasions that we have every confidence in the capacity and the ability of the Royal Canadian Mounted Police and in the management audit firm announced yesterday, to expeditiously and effectively, without witch hunting, get to the bottom of all the pertinent questions that must be answered in the public interest. This government is prepared to do that, Madam Speaker, and will be proceeding, as we have announced, to undertake that.

**MR. G. FILMON:** Madam Speaker, in view of the fact that the Premier thinks that this letter gives an adequate response to the misinformation about the flogging, about the employment of Theresa Aysan, about the return of the equipment from Saudi Arabia, about the kickbacks; then we are quite prepared to have all these matters made public in a full public inquiry and I urge him and I challenge him to make it public.

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

**MADAM SPEAKER:** Order please. That was not a question. — (Interjection) — Order please. I would prefer if we didn't have outbursts from either side during question period.

The Honourable Leader of the Opposition with a question.

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

In view of the fact that the Premier believes that this letter opens up all of the information that he says is necessary to be put on the table with respect to MTX, and in view of the fact that this gives more evidence of the fact that no one should have anything to hide with respect to this matter, no one should want any reason to sweep it under the carpet; will he not now then agree to the full public inquiry so that all information, such as this letter and anything else, will be made public and get the matter clear for the people of Manitoba about MTX and all of its operations?

**HON. H. PAWLEY:** Madam Speaker, I think the Leader of the Opposition has really lost some control of himself this afternoon. All the letter does is indicate very clearly that the conception took place across the way. Madam Speaker, I deny being the father of MTX; the Honourable Member for Pembina, along with the Leader of the Opposition, conceived MTX.

But, Madam Speaker, that is the answer to the honourable member's question, in respect to kickbacks and allegations of graft and all the other wrongdoings, are being dealt with in the way that such allegations are dealt with in every democratic country that I can imagine, anywhere in the world. When there are allegations as contained in the affidavit of Mr. Ferguson; when there are allegations of kickback and graft, Madam Speaker, you do what we have done, and that is call upon the services of the Royal Canadian Mounted Police.

### MTS - changing of locks

**MR. G. FILMON:** Madam Speaker, my question for the Premier is: I wonder if he could indicate why locks

are being changed on the doors of offices of MTS at both Empress Street and in the Trizec Building.

**HON. H. PAWLEY:** Madam Speaker, I have no information with respect to that. Maybe the Minister can respond.

**MADAM SPEAKER:** The Honourable Minister responsible for MTS.

**HON. A. MACKLING:** Madam Speaker, the RCMP have the whole matter of allegations contained in an affidavit that was filed at the committee under investigation. I'm sure they had discussed with telephone system officials security. I know there has been some indication to me by telephone officials of some indication of documents having been rifled. I don't know what advice the RCMP have given the telephone system, but I assume that they have improved their security.

**MR. G. FILMON:** My further question to the Premier is: Who gave the order for the locks to be changed?

**HON. H. PAWLEY:** Madam Speaker, if the Leader of the Opposition is concerned as he expresses, it's an appropriate question for him to ask tomorrow.

**MR. G. FILMON:** Madam Speaker, my further question to the Premier is: Who will be issued the new keys for the locks that have been changed?

**MADAM SPEAKER:** The Honourable Minister responsible for MTS.

**HON. A. MACKLING:** Madam Speaker, do I note a sense of frustration on the part of the Opposition, they no longer have access to documentation?

Madam Speaker, if there are questions about the security of MTS offices, I'm sure they'll have that opportunity to ask the officers of the corporation tomorrow.

**MR. G. FILMON:** Madam Speaker, if the Minister is so smart, then what is he afraid will come out? What is he afraid will come out? What does he want to hide by having the locks changed at MTS?

**HON. A. MACKLING:** Madam Speaker, this honourable minister and this government is afraid of nothing. The honourable member knows that he can ask the questions about security of the telephone system premises tomorrow.

### MTS - judicial inquiry re MTX

**MR. G. FILMON:** My question to the Premier then is: If this government is afraid of nothing and has nothing to hide, why will it not call a full public inquiry with powers of subpoena to get to the bottom of this whole mess?

**HON. H. PAWLEY:** Madam Speaker, again for the umpteenth time or the 21st time or the 25th time, Madam Speaker, for a number of very pertinent reasons.

First, insofar as the RCMP, they are the appropriate body to deal with allegations pertained to criminal action. The RCMP have some capacity in order to deal with Saudi Arabia. Public inquiry has no capacity insofar as undertaking any hearings that could assist them in respect to those portions of the evidence that might be required in regard to Saudi Arabia. Honourable members have made a great ado about how are the RCMP going to deal with Saudi Arabia. Madam Speaker, an inquiry as requested by honourable members would have no ability to deal in Saudi Arabia.

Secondly, Madam Speaker, I am proud of the fact that we have been able to appoint a world-reputed consulting management audit firm that will expeditiously - and not after months and months of public inquiry that might carry on for a year, a year-and-a-half if we go by way of some past precedence - a recommendation by which we can undertake whatever effective measures ought to be undertaken by this government rather than delay or engage in a pursuit that doesn't result in efficient results.

Also, Madam Speaker, it would be interesting for the honourable member to know that Coopers and Lybrand has 75 employees in Saudi Arabia that will also be able to assist insofar as the management audit is concerned. A public inquiry would have zero employees in Saudi Arabia.

Madam Speaker, honourable members keep talking about truth. We are interested in obtaining the truth insofar as the allegations are concerned. If we were not, we would not have called in the RCMP, we would not have called into being one of the best management audit firms that exists in the world today, because we are not interested in a witch hunt, we are not interested in political posturing in respect to this; we're interested in pursuing the facts so we can ensure the truth, to have recommendations which we can operate under and if there have been criminal wrongdoing, Madam Speaker, to have an appropriate trial as a result of that.

### Accidents - split rim wheels

**MADAM SPEAKER:** The Honourable Member for Ellice.

**MR. H. SMITH:** My question is for the Minister of Environment and Workplace Safety and Health.

On August 11th I questioned the Minister with regard to split-rim tires in the province. In view of the serious accident reported yesterday, can the Minister advise of actions taken in addition to measures outlined on August 11th?

**MADAM SPEAKER:** The Honourable Minister for Workplace Health and Safety.

**HON. G. LECUYER:** Thank you, Madam Speaker. Just to briefly review some of those actions, I did indicate at the time, Madam Speaker, in fact this goes back to January when staff within the Workplace Safety and Health division prepared a very extensive bulletin that was widely distributed throughout the Province of Manitoba; as well a video presentation, which has been taken to the various repair shops; as well a shorter bulletin which was distributed to the local radio stations and local newspapers.

But the point is, Madam Speaker, that unless the individuals who are concerned who have that type of wheels on some of their farm machinery or trucks hear this message, of course there is no guarantee that they will take the precautions in so repairing. So I certainly do encourage the various media to continue providing that information. There is indeed a danger. Too many accidents have occurred and too many fatalities have occurred.

I also wish to say that I did write to the Federal Minister of Transport, within whose mandate it is, in regard to making laws and regulations in terms of the appropriate actions to be taken, in terms of calling for redesign or phasing-out of this wheel from operation. I am given to understand that there is on a market a different type of wheel and that gradually this dangerous wheel is disappearing but not rapidly enough.

I have information which would indicate that it could quite easily be redesigned to prevent such dangers in the future. I have yesterday, Madam Speaker, redrafted or sent a supplementary letter to the Federal Minister hoping that he will follow up on some actions in regard to this most recent incident.

### Salt water spills re oil drilling

While I have the floor, Madam Speaker, I would like to provide answers to questions raised by the Member for Virden some two weeks or so ago, to the Minister of Agriculture and to myself, with regard to saltwater spills in the petroleum drilling areas of Virden. In particular, the member wanted to know within whose jurisdiction and the number of incidences and a number of other questions related to that.

I just want to indicate that under Section 22 of the Petroleum Drilling and Production Regulation of 1984 the Department of Energy and Mines has control over the petroleum and saltwater spills.

Section 2 states that the operator has the responsibility to report and control all spills and mitigate all damages. And under Section 4, staff have the authority to initiate action and control clean-ups.

There is also, Madam Speaker, an interdepartmental committee which deals with issues related to saltwater spills, although the department manager in mind is the lead agent, we are, as a department of environment, also involved, that the reclamation procedures — (Interjection) — I am almost finished, Madam Speaker, and I am providing an answer which the Member for Virden has been seeking for some time. That the reclamation procedures are as per design for the soils of that area, by the experts in that field, that it is a long-term process, and depending on the size of the spill, it could take up to 20 years.

The number of spills, I cannot give an exact figure on, but it varies year to year. It could be, I am told, as many as around 70 as far as 1985 is concerned. When we take into consideration that all spills, including those of less than one cubic meter are part of those statistics. So they vary, determined whether it originates from the wellhead . . .

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

**MADAM SPEAKER:** Order, order please. While I recognize that the Honourable Minister was answering

several questions, I would like to remind the Honourable Minister that answers to questions should be brief. If detailed answers are required, they should be given to the member in writing.

The Honourable Member for Ellice with a supplementary.

### Accidents - split rim wheels

**MR. H. SMITH:** Madam Speaker, my supplementary question to the Minister is - I'm not sure of the jurisdiction - but I'm wondering if it's possible for the province to outlaw these type of rims here in the province.

**MADAM SPEAKER:** Could the honourable member please rephrase his question? That question seeks an opinion.

**MR. H. SMITH:** I'm asking the Minister if it's possible for the province to outlaw these type of rims?

**MADAM SPEAKER:** The Honourable Minister of Workplace Safety and Health.

**HON. G. LECUYER:** Thank you, Madam Speaker.

As far as I know, that is not within our mandate, but in spite of that, we have drafted a regulation which we will include within the construction regulation having to do with the specifics in terms of the requirements on how these tires in the future, and these wheels, are to be repaired, to ensure that no individual takes the risk of doing this type of operation on his own.

### MTS - changing of locks

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

**MR. H. ENNS:** Madam Speaker, I direct a question to the First Minister.

I would like to come back to the question of changing of locks of MTS executive offices. Madam Speaker, I hope you will allow me the same latitude that you allowed the First Minister in some of his responses.

The changing of locks is a very significant breakdown of trust and confidence. I can recall that happening on numerous occasions; one, for instance, when a government decided to nationalize the Churchill Forest Industries, when locks were changed overnight and executive officers found in the morning they couldn't enter their offices.

I can remember, Madam Speaker, when we won an election in '77, the Conservative Government, well, we didn't trust the New Democrats all running with keys to the offices, so we changed locks. Madam Speaker, what I'm saying to you is that the significance of changing locks is a very serious question.

**MADAM SPEAKER:** Order please.

Question period is not a time to debate either with the Speaker or with other honourable members. Could the member please ask his question?

**MR. H. ENNS:** Madam Speaker, the response of the Minister for the Environment is still ringing in my ear.

The response of the Minister is still ringing in my ear. I'm simply trying to ask an informative question.

My question is, is this First Minister - you know, the changing of locks signifies a loss of trust, a loss of confidence. My question, Madam Speaker, who has ordered the changing of the locks, who has this Minister or the Minister responsible for Telephones lost trust and confidence in? Who has the keys, Madam Speaker? — (Interjection) — Honourable members want to scoff at that, but you don't change locks and just give back the keys to the same people.

I'm asking, is Mr. Gordon Holland, is Mr. Plunkett, is Mr. Anderson, given the keys to the newly changed locks of MTS? Or what was the exercise for?

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

**HON. H. PAWLEY:** Madam Speaker, like so much that has been offered across the way, a great effort is being made to make something out of nothing. The Minister has already indicated that he will report back. There is obviously an RCMP investigation under way and, Madam Speaker, honourable members can pose that question tomorrow.

**MR. H. ENNS:** Madam Speaker, I ask this First Minister, whether he did not in fact suggest to the management of MTS to change the locks because it would look good, promised them all that they'd all have keys, they'd all have access to their offices, and it was a meaningful exercise, but it would look good in the media if the locks were changed, it would give some semblance of an inquiry taking place . . .

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

The Honourable First Minister.

**HON. H. PAWLEY:** Madam Speaker, the answer is no.

### Farm Lands Ownership Board's jurisdiction

**MADAM SPEAKER:** The Honourable Member for Virden.

**MR. G. FINDLAY:** Thank you, Madam Speaker. My question is to the Minister of Agriculture, and it has to do with the 1985 Ombudsman's Report, Case No. 2 dealing with the Manitoba Department of Agriculture.

In this report, the Ombudsman states that he met with the Minister and his Deputy in 1984, and the Minister agreed with the Ombudsman that the Manitoba Farm Lands Ownership Board had exceeded its jurisdiction in handling this particular case. Would the Minister tell the House how they had exceeded their jurisdiction?

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

**HON. B. URUSKI:** Madam Speaker, quite simply, and I thank the honourable member for the question, the Farm Lands Ownership Board and staff exceeded their

jurisdiction because of the sloppy mandate and sloppy administration put forward by that administration and that former Minister of Agriculture.

**MR. G. FINDLAY:** Madam Speaker, I will then ask the Minister, did the board interfere with the farmer's legitimate attempts to sell his land to non-residents of Canada, by presenting to the immigration officials a negative report on the financial and agricultural viability of his farm?

**HON. B. URUSKI:** Madam Speaker, the former administration, basically in its liaison work with Canada Immigration - because Canada Immigration does ask provinces to provide viability reports based on perspective purchases of farm land - in its loopholes in its land ownership act, used the same individual to both allow for the determination to the board as well as provide the reports to the Canadian Immigration.

Madam Speaker, we saw that that was not a right approach and we changed the whole system. But clearly, it was as a result of the kind of administrative procedures and the sloppiness that was put forward by their administration when they were in office.

**MADAM SPEAKER:** The time for Oral Questions has expired.

The Honourable Leader of the Opposition.

**MR. G. FILMON:** Madam Speaker, I wish to present a motion, by leave of the House, a motion that would give the Assembly powers to subpoena witnesses before the Committee on Public Utilities and Natural Resources.

**MADAM SPEAKER:** Does the honourable member have leave? The honourable member does not have leave.

**MR. G. FILMON:** Madam Speaker, I have given notice to the Premier in writing and to yourself and to the Clerk. I ask again if I could not have leave to present this motion.

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

**MADAM SPEAKER:** Order please. The honourable member does not have leave. He must have unanimous consent. The honourable member must have unanimous consent to introduce a substantive motion to the House unless he has given two days' notice on the Order Paper. Everyone knows that the rule is quite clear. He does not have unanimous consent.

The Honourable Government House Leader.

Order please, order please.

The Honourable Opposition House Leader.

**MR. G. MERCIER:** Thank you, Madam Speaker. I move, seconded by the Honourable Member for Lakeside, that the House do now adjourn.

**MOTION presented and defeated.**

**MADAM SPEAKER:** The Honourable Opposition House Leader.

**MR. G. MERCIER:** Yeas and Nays, Madam Speaker.

**MADAM SPEAKER:** Call in the members.

The motion before the House is that the House do now adjourn.

**A STANDING VOTE** was taken, the result being as follows:

### YEAS

Birt, Brown, Carstairs, Connery, Cummings, Derkach, Downey, Driedger, Ducharme, Ernst, Filmon, Findlay, Kovnats, Manness, McCrae, Mercier, Mitchelson, Nordman, Oleson, Pankratz, Rocan, Roch.

### NAYS

Ashton, Baker, Bucklaschuk, Cowan, Desjardins, Doer, Dolin, Evans, Harapiak (The Pas), Harapiak (Swan River), Harper, Hemphill, Kostyra, Lecuyer, Mackling, Maloway, Parasiuk, Pawley, Penner, Plozman, Santos, Schroeder, Scott, Smith (Ellice), Smith (Osborne), Storie, Uruski, Walding, Wasylcyia-Leis.

**MR. CLERK, W. Remnant:** Yeas, 22; Nays, 29.

**MADAM SPEAKER:** The motion is defeated.

May I remind honourable members that votes in the Chamber are to be taken in silence.

## PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

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

**HON. J. COWAN:** Madam Speaker, I move, seconded by the Member for Thompson, that this House concur in the report of the Standing Committee on the Rules of the House received by the Assembly on August 14, 1986.

**MOTION presented and carried.**

## ORDERS OF THE DAY

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

**HON. J. COWAN:** Yes, Madam Speaker, would you please call debate on Second Readings on Bills No. 4, 12, 14, 19 and 20, in that order.

## ADJOURNED DEBATE ON SECOND READING

### BILL NO. 4 - THE FAMILY FARM PROTECTION ACT

**MADAM SPEAKER:** On the proposed motion of the Honourable Minister of Agriculture, Bill No. 4, standing in the name of the Honourable Member for Charleswood.

**MR. J. ERNST:** Thank you, Madam Speaker. I am pleased to rise and participate in this debate.

As a city member, as having been born and raised in the City of Winnipeg, it is, I think, perhaps a little significant that I would want to choose to participate in the debate on a bill for the protection of the family farm.

Madam Speaker, when the question of The Family Farm Protection Act came forward, it was my view that it was attempting to address a significant problem in Manitoba. So, Madam Speaker, I took the time to find out a little bit about what the problem was. I also took the time to understand the kinds of problems that are facing agriculture in Manitoba.

I think it's important that people from urban Manitoba attempt to understand the kinds of problems that exist with the farmers in this province. I don't know that a great many people in the cities and towns, particularly the cities, Madam Speaker, really understand the kind of concerns, the kind of pressures that agriculture in Manitoba is being faced with.

Madam Speaker, I did take the time, I tried to find out, and I, genuinely, I think, on behalf of certainly the constituents of Charleswood, want to help those farmers with the problems that they are facing at the present time.

Madam Speaker, the people of the cities, particularly the people of the City of Winnipeg, I think have to come to grips with that. They may not understand that one in five jobs in this province are related to agriculture, that when the Versatile tractor plant is in trouble it affects Winnipeggers, not farmers but Winnipeggers. Farmers can buy tractors elsewhere, Madam Speaker, but the Winnipeggers who work in that tractor plant can't find other jobs or have a great deal of difficulty.

Madam Speaker, at first blush, The Family Farm Protection Act, even the name, is motherhood and apple pie in this issue. Save the family farm. Who could be opposed to saving the family farm? No one. That kind of notion, Madam Speaker, is what's attempted to be conveyed by this bill.

(Mr. Deputy Speaker, C. Santos, is in the Chair.)

The bill proposes to be help for Manitoba's farmers, to assist those farmers who are in financial difficulty, who are being pressured by their creditors by the credit that they have borrowed over a period of time. It attempts to help those farmers and there's nothing the matter with that. The good intent of that bill, there's nothing wrong with. To assist people with excess debt, to help them with their ability to repay that debt, Mr. Deputy Speaker, is a laudable position. I support that laudable position; I think our caucus supports that laudable position. I'm sure every member in this House supports that laudable position to assist those people that are in financial difficulty.

But, Mr. Deputy Speaker, the problem is this bill is being rushed. Mr. Deputy Speaker, it's being forced through the House. It's attempted to be brought on too quickly. It hasn't been thought through by the government. It has not been given reasonable, thoughtful consideration as to what they are attempting to do and what the bill is hoping to achieve.

Again, there is nothing wrong with the fact that the bill is, in fact, politically motivated. That's the name of the game in this House is politics. So if their bill is politically motivated, there's nothing the matter with

that. But, Mr. Deputy Speaker, they shouldn't try to hurry it up. They shouldn't use the political zeal in the post-election period to attempt to live up to one of the promises made during the election campaign. They shouldn't try and rush through this bill because, Mr. Deputy Speaker, it is not going to accomplish the kind of help, the kind of assistance that it intends, I think, to propose for farmers.

Mr. Deputy Speaker, quite frankly, they botched the job again. We have seen any number of botched jobs since we came into this House since May 8th. Again, here's another botched job by the Government of Manitoba, that here is a situation where you have farmers in difficulty, where they need assistance, where there is a bill before the House, but unfortunately, Mr. Deputy Speaker, it's not going to help them, not going to help them in the way I think that they expected to be helped, not going to help them in the way that they ought to be helped by all of the taxpayers of the Province of Manitoba.

There's been no thought, Mr. Deputy Speaker, on the effects or the impacts on agriculture, either in the short-term or the long-term. How is it going to affect farmers? How has it affected them in the past? Those kinds of things I don't think, Mr. Deputy Speaker, have been thought through by this government; because if it had and if they'd have recognized them, and if they had a little simple understanding of the whole situation, then they would not be in the position that they are today. They would not have this bill before the House in its present form, and it would either have been amended or withdrawn.

I think also in part, this bill tries to fool the people in Winnipeg, the city people, those who really haven't necessarily addressed the problems that are facing agriculture today. I think it attempts to try to fool those people into thinking that the government is helping the farmers and I don't think that's going to last very long.

The farmers certainly aren't fooled. No. They're concerned and they're frightened by this kind of legislation. They can see their way through this kind of ploy. They can see that the NDP is using their plight, their problem, they can see that the government is using the financial difficulty that they're in for political gain and that's wrong and they know it, and they're going to send that message loud and strong. They are not happy, Mr. Deputy Speaker, not happy at all.

The longer this bill is around and the more people begin to understand the import of the bill and the problems that are being faced by agriculture today, then the urban dwellers as well are going to see through this bill as a sham, as an attempt to pull the wool over their eyes, as an attempt to offer some kind of hollow promise to the farmers of Manitoba, and they're not going to stand for it either and when they do that, there will be an election and they'll throw this government out of office.

Mr. Deputy Speaker, in attempting to address any given problem you have to know what the cause of the problem is and I'm not sure that this government knows what the cause of that problem is. If they don't let me in my own fashion and in the short time that I've been able to glean information from the agricultural community as to what their problems are, let me convey that message to them so that they do understand, so they do try and glean a little bit of knowledge at least

as to what the problem is and what needs to be addressed.

The first problem is low export prices for grain. That is the primary problem. That is the most significant primary problem. The second problem is high input cost to grow that grain. There is no recognition in the overall economics of the agriculture community, no recognition of the farmers investment. The farmer invests considerable money.

Mr. Deputy Speaker, if you, for instance, wanted to purchase a building as an investment - not an SRTC - but just an ordinary building. If you wanted to go out and buy a building as an investment the money that you would want to put into that building, you would want a return on because if you go to the bank and put the money in, you're going to get 4, 5 or 6 percent on your savings. If you buy a term deposit you're going to get some additional interest revenue. If you buy a Canada Savings Bond you're going to get some revenue. So if a farmer invests his money, his cash in his land, in that equipment, and in the input costs that are necessary to operate that business, Mr. Deputy Speaker, he should get some kind of a return on his investment. That would seem reasonable. That would be, I think, a reasonable thing to have happen, but it's not happening.

The other question, Mr. Deputy Speaker, and we see it day after day, we have a Minister responsible for Labour in this province. We have legislation that guarantees workers minimum payments for the hours of work that they put in, guarantees those workers certain rights in the workplace. We have a Minister responsible for their safety in the workplace. All of these things related to those workers in this province. Well, there are a great many workers in this province who have no legislation to protect them. They have no minimum wage guarantees. They have none of the kind of things that all the other workers enjoy in this province. Those people are farmers. They're farmers, they don't have those guarantees.

Mr. Deputy Speaker, right now is a trying time in the agricultural community. Obviously we see from the kind of news reports, the kind of things that are happening in the European Common Market, in the United States of America with respect to their farm subsidies, we have a very trying time in agriculture in Canada and indeed in Manitoba.

Really any government can only have a marginal effect, I think, in terms of the actual price of export grain in this country in any event. Government can offer subsidies, government can offer assistance in other ways, but they can only influence the price in the world market only marginally.

Agriculture is undergoing a significant change, a massive change, I think, from what has been experienced over the last number of years. It's going to be a different agricultural community in the future. But, Mr. Deputy Speaker, we have a need collectively, all of us philosophically, we have a collective need to preserve agriculture, to preserve the ability to produce food for the world, not just for Canadians - because Canadians only consume maybe perhaps 10 percent of the market in terms of the grain that is grown here - but we need to preserve the ability to grow food for the rest of the world.

We are in a temporary surplus position at the moment, Mr. Deputy Speaker, there are surpluses and that's part

of the problem dealing with the economic plight that farmers are in. But it's a temporary situation. You know there are other parts of the world where people are starving, where people have not the ability to grow the food that they need. They haven't the agricultural land, they haven't the expertise, they haven't the equipment, they haven't the climate. We have all of those things here. We have excellent farmers, well trained responsible businessmen. We have the land, we have the weather, the climate and we grow a first-class product, Mr. Deputy Speaker. So we need to preserve that.

We need to ensure that we are able to take our place in society, in the global village as it were, to provide the food that is going to be necessary in the years to come because the population is not shrinking. The population here, in terms of the birthrate is dropping certainly, but that's not the case elsewhere in the world. The population of the world is still growing; and it won't be too, too long until I think we are going to be beyond this world and looking at others and the kind of food support that is going to be necessary to meet the population demands of those times as well. So we cannot give up, we cannot let it go now. We must support the ability to produce that food for the future.

Mr. Deputy Speaker, debt in the farm community certainly is a problem. I don't think anyone here could say truthfully that debt is not a significant problem for a number of Manitoba's farmers. But it's not a new thing. It just didn't happen yesterday. It didn't happen last month, last year. It's been around for a while. It's been a long-standing problem, a problem that our farmers have had to face time and time and time again. In part, it's creating some of today's problems, because what happened, Mr. Deputy Speaker, was 10 or 15 years ago, the agricultural community was again faced with low commodity prices.

Mr. Deputy Speaker, at that time, how did they address that problem? Did governments come in with legislation and say, no we won't foreclose on anybody's loan? No, that didn't happen. What happened was, Mr. Deputy Speaker, the farmer, recognizing the problem that he had, took matters into his own hands and he went out and he said, "How am I going to address my problem? Well, what I'm going to do," he said, was this, "I'm going to increase production. I am going to grow more so that if the price is less, the law of increasing and diminishing returns will eventually give me sufficient money to live on. Not necessarily a good investment, not necessarily a fair return on my labour," the farmer said to himself, "but a living, an ability to raise my family, an ability to hold onto my land and an ability to continue into the future, an ability to preserve something for my children and their children after them, hopefully." They did that on their own. That was the way, Mr. Deputy Speaker, they got out of the cost-price squeeze of that time. There were a number of other ways that they handled it, a number of other initiatives that they got into in order to supplement their income, certain cash crops and a number of other initiatives that were available to them.

But what happened at the same time was, they incurred more debt. In order to increase production, Mr. Deputy Speaker, they had to increase the amount of land available to them, and then with the increased amount of the land, and the limited amount of labour,

they had to have increased size capacity of equipment in order to handle the production on that land.

All of those things, those additional costs, Mr. Deputy Speaker, cost money. The land cost money, the equipment cost money, the additional fertilizer cost money, the chemicals that they needed to control the weed crop and the kinds of insects that invade those crops, Mr. Deputy Speaker, all cost money. Some of them created long-term debt; the land created long-term debt, and in part, the equipment created long-term debt as well.

So, Mr. Deputy Speaker, they had these things to face. They in addition to that, once they expanded, were faced with a period of high inflation. You'll remember, Mr. Deputy Speaker, during the early Seventies, the kind of inflation that this country was faced with, the kind of thing that brought on wage and price controls, the kind of thing that we're looking at, 20 percent and 25 percent, 15 percent, large numbers like that, those kinds of numbers of inflation in this country during that period of time.

The farmers faced that as well. Their interest rates were up, the land prices escalated, Mr. Deputy Speaker, and their equipment costs rose as well. So they had that burden as well to face. But that increased production, those other initiatives that were taken by the agricultural community at that time, compensated for a period of time for those particular farmers, for the agricultural economy of this country, and it grew. It grew marginally, but it grew none the same.

But now, Mr. Deputy Speaker, it's caught up with them. Now that initiative, now that expanded production isn't enough to meet the costs of production. That increased volume isn't enough, Mr. Deputy Speaker, to meet the kinds of problems that the farmer is faced with today.

Common sense to me, Mr. Deputy Speaker, says that anyone addressing this problem ought to meet it head-on and ought not to pussyfoot around, ought not to attempt to dilly dally or dazzle the public with smoke and mirrors and wind and rabbit tracks. Those are new expressions that I've learned, Mr. Deputy Speaker, since coming to the House a couple of months ago - wind and rabbit tracks. You know, Mr. Deputy Speaker, they're very appropriate indeed.

But that's the kind of thing this bill represents: smoke and mirrors, wind and rabbit tracks. Those kinds of things directly describe the kind of bill that has been brought forward, Mr. Deputy Speaker, because common sense has not prevailed, common sense has not met the problem head-on, and common sense has not invaded the minds of the members opposite. As a matter of fact, Mr. Deputy Speaker, yesterday, somebody said there was paralysis. Well, there is paralysis; I think paralysis between the ears of the members opposite because they haven't addressed the problem. They've tried to dazzle the farmers. They've tried to dazzle the people of Manitoba with some kind of fancy footwork and it hasn't worked, Madam Speaker.

(Madam Speaker in the Chair)

The largest group, Madam Speaker, that's affected by this whole matter - in case you are interested - is the young farmers who are entering the industry just in recent times. Now there are many of those young

farmers have incurred significant debt loads in order to get into the business. You don't just waltz in and then become a farmer today of any note. The cost is enormous. So that young farmers today who have got into the business within the last 10 years or so have faced significant cash outlays, significant debt loads, significant borrowings necessary for them to get into the business.

As a matter of fact, when you look at all of the problems and all of the other concerns, you have to wonder sometimes why they want to get into that business, but nonetheless they are there and nonetheless we need them. We collectively need them because we are going to want to continue to eat. We are going to continue to want to have jobs in this community, in our urban centres, producing the kinds of goods and services and equipment and things that are necessary, Madam Speaker, to run a farm today.

These people, Madam Speaker, are the food producers of the future. They're well-trained, well-educated managers. They represent a generation of agri-producers of the future. We cannot allow these people to fall by the wayside. It's the same as we cannot allow the land to fall from production even though we are faced with a temporary surplus of agricultural products. Madam Speaker, we cannot let these people fall by the wayside either because they are the people that are going to carry that agricultural production into the future.

The farmers of today, particularly those who have been farming for a great length of time, many of them, too, are getting tired. They're getting tired of fighting the kind of wars that they have to fight. They're getting tired of fighting the weather. They're getting tired of fighting the economy. They're getting tired of fighting the kinds of costs of production that are ever slowly dragging them down. I don't blame them, Madam Speaker, because I would be tired too if I had to fight that year after year after year, if I had to be an eternal optimistic year after year, if I had to look into the sky every day and wonder whether my lifesavings are going to be wiped out. Madam Speaker, those kinds of things tend to be stressful.

Now I appreciate question period for you, Madam Speaker, is stressful, but at the same time the stress that those farmers year after year after year face, that is significantly stressful. Question period is over at a quarter to three, Madam Speaker, but that stress continues for those farmers every single month of the year. That is something this bill does not address, has not met head-on.

Madam Speaker, there are certain principles contained in the bill, I think, that are generally supportive. Certainly, the title of the bill is supportive. Everyone, Madam Speaker, can want to protect the family farm, but we also support the questions of dealing with time, dealing with notice to farmers who are faced with debt problems.

Madam Speaker, we're faced with equal opportunities for recourse; that's supportive. Those are the kinds of things, I think, that all of us would want to support, but that's provided for already in a federal act, Madam Speaker. You don't need The Family Farm Protection Act, Bill 4, before us in this Legislature. Madam Speaker, those kinds of things are contained in the federal bill that has been passed by the Parliament of Canada, is

in place; debt review panels are being formed right now across the country to deal with those kinds of issues.

What we don't need, Madam Speaker, is to threaten the financial institutions into precipitous action to withdraw the credit that they have so generously offered in the past for a fee, I might add, Madam Speaker. They didn't give it away; certainly, it was a business transaction. At the same time, they had a little faith, too - faith in the agricultural community, faith in the ability of the farmer to produce and the faith in the ability of that farmer to pay back his debts.

But, Madam Speaker, we don't need to back them into a corner. We don't need to say to them, no, we're going to take away your asset base. We don't need to do that, Madam Speaker, because that is going to create more problems than we've already got and that the farmer already faces.

Before they take action to protect their investment, before they take no action on credit applications, we need to have a cooperation between the lender, the farmer and the government - in fact, both levels of government, federal and provincial - in order to weather this storm that's facing the agricultural community of Manitoba.

Now, Madam Speaker, the traditional family farm has been a truly family operation - the husband, the wife, and the children working together for a common goal, a goal of survival and, hopefully, a goal of a reasonable way of life in a free country where they can enjoy all of the benefits of our society.

They are exemplary examples of our society, Madam Speaker. They truly represent a family working together, the very fabric of our society, one that tends to be torn down from a number of areas throughout our society, and more particularly in the urban centres. But in the rural areas, I think it's something that all of us should stop for a moment and take a look at, that that kind of family fabric is something that every single person in this province needs to recognize and needs to try and emulate.

Madam Speaker, hard work, self-reliance, self-motivation, a willingness to invest, a willingness to take substantial risks, risks of capital; all of those things result in the farmer making a significant contribution to the Gross National Product of this country.

Government subsidized day care centres, Madam Speaker, don't contribute to the Gross National Product. They are necessary and are supportive, but they don't contribute to the Gross National Product like the farm and the agricultural community does. They are one of the major players, certainly in Western Canada, certainly in Manitoba, in the contribution of what makes this country's economy tick, Madam Speaker.

But those same farmers don't get day care, they don't get unemployment insurance, they don't have Workers Compensation, they don't have sick leave, they don't have sabbatical leaves; and for the most part, don't have any pensions schemes unless they're initiated by themselves, but certainly don't have a generous employer to pay all or a significant portion of the contributions made to those pension schemes, Madam Speaker.

**A MEMBER:** They don't have tenure.

**MR. J. ERNST:** They don't have tenure, my honourable friend says, and that's correct. Their application is up, year after year. Even politicians in this Assembly, Madam Speaker, have a certain tenure, perhaps three years, four years, sometimes shorter, depending upon the vagaries of numbers. But there is a certain tenure.

Even, Madam Speaker, the job that you hold has a certain tenure to it, but the farmer doesn't have any tenure. He's up for renewal, month after month, year after year. He's up for a test to see whether he continues in that employment or not, to see if he continues at 40 or 50 cents an hour, to see if he continues to invest the kind of capital that he has in order to take that phenomenal risk year after year.

Somebody said, Madam Speaker, that if they had \$1 million, they would farm until it was all gone. Well, Madam Speaker, that's becoming closer to a reality situation today than any of us, I think, would even want to think about. It would be much better if that person had \$1 million to go down to the bank and then put it in and invest it; buy Canada Savings Bonds or some relatively safe instrument of finance that would give them a reasonable return on their investment, Madam Speaker.

But that isn't the case, and thank goodness for that, Madam Speaker, because I wouldn't necessarily want to invest my money. There are 20,000 farmers out there who have invested their money, who are prepared to risk it year after year, month after month.

But, Madam Speaker, even though they don't receive all of those benefits which many people in the urban centres receive, which many people under collective agreements receive, they pay taxes, interestingly enough. Interestingly enough there are taxes; income tax, Madam Speaker, they pay. If they have employees working on their farm, they pay payroll tax over and above that. Madam Speaker, they pay education and property taxes. They invest their capital; they buy farm equipment; they buy supplies and seed, fertilizer, chemicals, all of those things that contribute to the economy, Madam Speaker, without asking for very much in return; and at the same time provide the kind of food that is going to be necessary to keep this world alive for many many years into the future, as the population of this planet continues to grow.

But, Madam Speaker, instead of providing assistance to farmers, this proposal will, in all likelihood, increase the pressure they are already under, increase the burden that they are shouldering at the present time. Farmers in financial difficulties who are having problems want only one thing, Madam Speaker, they want to survive. That's all they want. They want to survive. They'll need help; they'll need cooperation; they'll need it from government; they'll need it from the lenders, and they certainly don't need it from Bill 4, Madam Speaker. They need help from their chemical dealers; they need help from the fertilizer dealer; they need help from the implement dealer. They need help from all of those people. — (Interjection) — You got it Pontiac. They need this bill like they need another pain in the head.

Madam Speaker, to quote the Member for La Verendrye, and unfortunately, he's not here. I quote now, Madam Speaker: "If the Minister had any knowledge of farming, he'd be embarrassed to even introduce this bill in the House." Now that, Madam Speaker, I think says significantly, the kind of recognition

of this bill from the farming community, that, Madam Speaker, he would be embarrassed to even introduce it into the House. The bill is like offering a photograph of a full-course dinner to a starving man; or in the case today, Madam Speaker, instead of starving man, it will be starving person. But in any event, the fact of the matter is, Madam Speaker, this bill is not meeting the kind of needs that are facing the farm community today.

Madam Speaker, if the debt is frozen, it doesn't go away; it doesn't disappear; it doesn't evaporate into thin air. It still has to be repaid, Madam Speaker. Both the principal and the interest is owed by the borrower, still must be paid back. But what of the lenders? Is the money that the lender gives to the farmer, is that sort of the money of some big, impersonal corporation that nobody can really get a handle on and touch and feel? Is that sort of their money?

Well, Madam Speaker, I think not, because the money that I put in the bank every payday goes into investments made by that bank, so the money that they're lending to the farmer and other corporate customers of the bank is my money and it's your money and it's the money of everyone in Manitoba. It is their money and those bankers are trustees; and as trustees of that money, their responsibility is to make a good sound investment. For that trusteeship they are paid a fee and that fee becomes the profit of the financial institution. It's either returned to the shareholders or returned to the members of the cooperative, as the case may be, Madam Speaker, but they are trustees for my money and your money. It is not some impersonal corporation, so that good investment must be maintained, cooperation with the borrowers must be maintained.

If, for instance, Madam Speaker, as a result of Bill 4 being implemented, a credit union comes into difficulty because of the numbers of agricultural loans that it has that have now been frozen, that the interest income is not coming in, that the action that they're able to take is stopped; and if that credit union falls into difficulty, as many have fallen into difficulty over a number of years, Madam Speaker, are they going to go now to the Minister of Cooperative Development, and say, we are in difficulty. The stabilization fund cannot meet the kind of demands which are being made, and we need some additional money to survive. Is this government then going to say, as they have in the past, yes, we will provide \$25 million to the credit unions of Manitoba to support their financial well-being, to support the savings of people that have been made in those financial institutions, and another \$4 million, Madam Speaker, to the Federation de Caisses Populaires of Manitoba, that \$29 million of financial support to keep those financial institutions alive are not going to be helped.

Those financial institutions, Madam Speaker, are going to face the same kind of problems that banks are facing and other financial institutions are facing, so that if the soundness of security is undermined, then lenders will have to curtail their lending activities to suit the circumstances. Now that, Madam Speaker, bodes no good for the agricultural community.

To reduce the potential for funding, both lenders and borrowers, can cause severe problems within the agricultural community. The lender can go elsewhere for his investment. He's really not significantly hurt. He

can simply say no, I'm not going to lend in the agricultural community; I'm not going to lend on farms; I'm going to lend on apartment blocks; I'm going to lend on condominiums in Third World countries; I'm going to lend on any other kind of thing that you can think of; but I'm not going to lend on farms because Bill 4 is in place and that impairs my security, so I won't do it. Madam Speaker, the lender is not harmed. The lender can do as he wishes but the farmer cannot. The farmer cannot go to another institution because all of the institutions are affected by this bill. Not one, not two, not any particular sector; all of the financial institutions are affected by this bill and the farmer is stuck. He cannot go elsewhere to borrow that money.

The financial end of farming is a bit of a feast and famine. Certainly there's no orderly cash flow, there's no cheque at the end of the month type of thing, there's no 26 annual pay periods in the question of the economy of farming. They put out a large amount of money for their input costs, a large amount of labour and hope like hell at the end of that period of time they get some cash back, let alone the amount of money that's necessary to meet the demands of a reasonable rate of labour or a reasonable return on investment, simply cash to pay the bills.

All of these things require credit. Most, or a significant number at least, of farmers are in a position of not having the kind of working capital necessary today to meet the demands of high input cost in producing agricultural commodities. They require credit. In order to get that credit they have to have a good relationship with a financial institution of some sort who are the providers of credit in our society.

If they don't have credit, what will happen? What will happen if they don't have any credit or what will happen, not only if they don't have any credit, but if they have a reduced amount of credit? In input costs they have fuel, equipment, seed, fertilizer and chemicals, Madam Speaker. Which one of those are you going to take out of the equation because credit has been reduced; reduced because Bill 4 is in place? Which one of those are you going to take out? I don't think you can take any of those out.

So it's either gain credit from some other place or in fact stop production, neither of which I don't think are viable alternatives. You can't stop production and if the credit has been reduced or withdrawn, it's not available anywhere else anyway. So, Madam Speaker, who are we trying to fool?

But will these credit reductions happen? I think we've heard from members opposite on occasion that in fact this won't really happen; this is really something that's kind of a temporary nature; that it's really nothing too significant in terms of how the lenders will view the question of farm credit. Is there a real threat? Is there a concern? Is there a real threat, Madam Speaker? That's the question. Well, in the 1930's it happened. I mean, that's a fact. So we can look at that and we can say yes, once it did happen in modern — (Interjection) — you're kidding, is my time up?

Sorry, Madam Speaker, thank you.

**MADAM SPEAKER:** The Minister of Northern Affairs.

**HON. H. HARAPIAK:** Thank you, Madam Speaker. I would like to take a few moments to speak in support

of Bill 4; a bill that was drafted after the Minister of Agriculture went on a round of extensive consultation with the farming community.

While the Minister was on this round of consultation in the agricultural community, he found there was a great deal of support for legislation of this sort. As a matter of fact, he received support from the farm organizations of CAP and the National Farmers Union, which have promoted and supported this legislation as well. I know the thought that CAP would support legislation has raised quite a bit of controversy within organizations because they felt if some of them were supporting it, they were going along with the NDP. But I think some of the members opposite should recognize if they are doing it, they are doing it and supporting it because they are concerned about the viability of agriculture in the country. So that is why an organization of CAP would be coming out and supporting the legislation.

I recognize, and we on this side of the House recognize, that agriculture is the backbone of our economy and The Family Farm Protection Act would be going a long way to preserving the lifestyle that is there; a lifestyle that I have longed for, for many years and I'm sure that many members of the Opposition would also long for that lifestyle as well.

Some of them are actually on a leave of absence from their farming operations at this time to be present in this House and I'm sure that many of the farmers in their community are being affected at this time because many of the young farmers who have just gone into, as the Member for Charleswood said, the people who are the latest entrants into the farming operations are the ones who are having difficulty surviving because of the need to borrow money when they get into farming operations.

As a matter of fact, I've had the opportunity of being faced with that same problem myself when 25 years ago I had a desire to go into farming and I borrowed money to buy a farm, but unfortunately I didn't borrow enough money at that time to survive - and I didn't survive - but maybe I'm fortunate that I've retained my farm to this time so I will someday realize that lifelong dream of joining the agricultural ranks.

As a member of the railroad industry, I also realize what a multiplying effect agriculture has on the economy of the entire province. I know in the transportation industry we're connected with the trucking, moving the fertilizer, the chemicals, and the machinery dealers are also affected to a great degree, well, to an entire degree by farming operations.

I think we take this into consideration when we are going to go and speak in support of the bill. I think the government wants to preserve the way of life that we have come to know in our rural areas. We know that if the family farm is affected or is being endangered and that quality of life that many of us in this House have experienced, is going to be lost. I think that is one of the reasons we should all in this House be concerned about the viability of the family farm.

So I think we all know that this government has realized the benefit of agriculture to the province so that is why we, as a government, have come up with many programs which have gone a long way to support the survival of the family farm.

One of the areas we felt there was a great need was in the area of farm management. They have come up

with several programs they've delivered through the Department of Agriculture to assist the family farm survive. I know there have been programs delivered to the extension services and also via the television which has helped the farmers survive because farming has become more of a business-like operation. You cannot get by, by keeping your bills in a shoe box as they did several years ago. It has become a very business-like operation for many people and the farmers have become very efficient. That is why many of them have been able to survive up to this point.

Another example of support for the family farm survival is the Beef Stabilization Program. Through that program, we have put in approximately \$45 million into the economy and there are many people whom I know in my constituency that it's helped survive.

Just speaking on my constituency, quite often The Pas area is not seen as an agricultural area. I think that some of the members of the Opposition should take the opportunity to come out to the The Pas area and see the potential that is there. They've had some research plots put in there in the last couple of years where they have had production which is about 10 percent to 15 percent higher than any other part of the province. I know the Member for Arthur quite often makes a lot of noise about The Pas area and it's unfortunate that he didn't give support to The Pas area when he was the Minister of Agriculture instead of doing it as a member of the Opposition at this time.

Most of our support has been in the area of financial and credit assistance, Madam Speaker, including provisions for long-term credit and interest rate relief for farmers, which has also helped many young farmers who are faced with credit difficulties. I know that there are many young farmers who have survived because of the support they have received through programs which were delivered by this government.

In speaking to the bill, I wonder why the members are so opposed to it. I guess the objectives of the bill are quite clear. If they would look at the objectives, I just wonder why they would be opposed to it. The objectives of the act are to afford protection to farmers against unwarranted loss of their farming operations during periods of difficult economic circumstances.

We all recognize, and the members opposite got up, member after member, saying that there is great difficulty in the farming community. All we're trying to do is help them survive that, to preserve the agricultural land base in Manitoba and to ensure that farmland is farmed and managed in periods of difficult economic circumstances.

We realize, again, that farmers are facing difficulty because of the credit that has been extended and it's necessary to pay them back, and they're not able; they've run into some financial difficulty and it may be a time for mediation. Do they have some difficulty with some peers of theirs trying to help them through a difficult time? I know that many in our farming community have some expertise. They've had experiences in credit unions and their own operations as farmers and there is a great wealth of experience there and I know that they can assist them.

Another point is to preserve the human resources in the agricultural community of Manitoba and to preserve the existing lifestyle of farm communities in Manitoba and the tradition of locally-owned and

managed family farms. Which one of you can argue with that?

I know that there are many other points I would like to make but I know other members want to speak on this. So with those few points, I would like to just put on the record that I do support Bill 4 and I do support the family farm. I would urge members opposite to take off their ideological blindfolds and support the legislation as well.

Thank you, Madam Speaker.

**MADAM SPEAKER:** The Honourable Member for Niakwa.

**MR. A. KOVNATS:** Thank you very much, Madam Speaker. I rise this afternoon to speak on Bill No. 4, The Family Farm Protection Act.

I'm disturbed right from the very start, when we talk about The Family Farm Protection Act, and I look through on the bill where, under definitions, it's got farm machinery and equipment, farmer, farming, farm land, nothing about family farm.

I'm certainly in favor of the family farm. The family farm has been an institution in Manitoba for over 100 years now and I know of some that have been in excess of 100 years. I think, with great respect, we look at the family farm, the way that it's been managed and handled over the years, where it's been passed down from father and mother to daughter and son, and I do have a respect for the family farm.

Here, all of a sudden I'm looking at a bill that includes the family farm, but not completely. It's very, very disturbing when I see that the bill is really designed, or it has been suggested to look after the hard-pressed farm loan borrower. I guess the family farm is part of that. Specifically, I think it's meant to confuse those people that really don't have too much of an idea of the background of the family farm. I think there's a cloud over the Minister for this particular name.

I think the first suggestion I would make, Madam Speaker, is that the name be changed to encompass all of the farmers in the Province of Manitoba, not just those that are part of a family farm group, but the ones that are in trouble.

I might mention, Madam Speaker, before I go too much further, that my background is from the farming community, from way back at the turn of the century, when my father was farming land out in the Transcona area. That would be close to where the Member for Transcona had his farm, where he got into trouble when he - well, no, I better not.

It was in that area, Madam Speaker, so I do qualify as having a farm background and I am an urban representative in the Legislature, so I feel that I can speak for all the people of the Province of Manitoba.

This bill that has been presented by the Minister of Agriculture, I guess, is meant to protect the farm borrowers, the people who have to borrow money to operate their farms. We have a federal bill in place that certainly takes care of that. I think, when I listen to members of the New Democratic Party and all I hear from them is saying that the Federal Government doesn't do anything right, the transfer payments aren't enough. They criticize the Federal Government in every which way they can and I've got to suggest that the

Federal Government has come up with good protection for the farmers of the Province of Manitoba and all of the farmers in Canada.

I think what is happening at this point is that the Minister of Agriculture is protesting against the Federal Government, saying that they can't do anything right and that his bill is better than the Federal Government bill. Madam Speaker, it really isn't. I think that the Minister is caught up in a problem inasmuch as when the election of March of '86 took place, and I know it's going to happen - they're going to say we won that election so whatever we said during the election is the gospel. It's not quite so. But the Minister is caught up where some promises had been made concerning the family farms and all of the farmers of Manitoba, to give them some protection, and the Minister can't back down. I think that he would just love to be able to say, I'm going to withdraw Bill No. 4 and we're going to go with the federal bill, C-117 because it's a better bill.

But the Minister is embarrassed because of the promises that were made during the election. I'm willing to help the Honourable Minister. I know that he's got his pride and I'm suggesting to him there will be no criticism on my part and there'll be no criticism on the part of members on this side if and when he withdraws that bill. In fact, we won't say anything.

**A MEMBER:** I wouldn't rub his nose in it.

**MR. A. KOVNATS:** Absolutely not, Madam Speaker, because we respect the Minister for his judgment, if and when he would withdraw the bill. I assure you, Madam Speaker, there will be no criticism on our part.

Madam Speaker, I'm not going to defend the lending institutions, the banks, the credit unions and the other lending institutions in what they have done in the past, where they have collected monies owed to them. They're pretty big people. They're big boys and big girls and they can look after themselves.

I think that when you present a bill that is to protect people and I am most pleased when I look around, Madam Speaker, and I see that - well there is one of my constituents here as a member of the Opposition, and there was too here - and I'm not mentioning any names - but the second and third members are not here. I make some of my remarks directly to the member who is here from the Opposition in my constituency.

You know, Madam Speaker, when it comes to the financing, I repeat, I can't be that critical of the bankers and the people in the credit unions for protecting their monies and the monies that they have loaned to farmers. — (Interjection) — Well, it's shareholders' monies and they have to make a profit because profit is not a dirty word and without them I don't know how the people in the farming community or any other business would be able to operate without having these finances available to them.

We really have to be fair when we come up with a bill, fair to all parties concerned. It can't be pointed one way more than another. I'm not defending the bankers. I'm just saying we have to be fair with them. We're trying to be fair with the farmer. We've got to be fair with the banker also. Madam Speaker, that's part of the reason that I certainly cannot accept the bill in its present form.

Madam Speaker, I know that the Minister's motives were honourable, but he really is caught up in a bind. I repeat and I really repeat, that if the Minister is going to withdraw this bill, I'll go over and I'll congratulate him and I will tell people all across the Province of Manitoba what a noble person he is and well thinking — (Interjection) —

**A MEMBER:** I wouldn't go that far.

**MR. A. KOVNATS:** I would go that far if he's prepared to withdraw this bill. I can understand his heartfelt feeling for the farmers, for the lending institutions and all of the people in the Province of Manitoba, Madam Speaker, because he would be a gentleman in my opinion, but the bill has to be withdrawn.

I remember, Madam Speaker, as a child — (Interjection) — yes, it was in the olden days. It wasn't that far back, but I remember, Madam Speaker, as a young boy — and I think we all went through all of this, not as young boys, as young boys and young girls — but I remember when we went through all of this where the parents would say Abe, would you go to the store and pick up a loaf of bread and a quart of milk. Our whole lives, our association with the farm community, even though we lived right in the city, we were aware of the production of the farm community, because every time we had breakfast, there was that quart of milk and some corn flakes and some oatmeal and things of that nature, Madam Speaker. So we have to be thankful to the farm community for providing us with the necessities of life and we in turn must say thank you to them and support them and try and keep them in business, Madam Speaker.

You know, — (Interjection) — the farmer needs help. — (Interjection) — Pardon me? I'll keep going for a few minutes. Madam Speaker, this bill in my opinion does more harm than good to the industry at large, for everybody in the industry. It's specific. It goes after a particular segment of the industry, people who have run on tough times and hard times and require some help.

Madam Speaker, just the other day — you know, when I go into these type of things, if I get up to speak, I want to be able to speak with some authority and if you're going to speak with authority, where do you find out your information? You go to the people who are in the farm community. I had the opportunity. I happen to have a very good friend in my community in Menisino that I can confide in and he can confide in me, and we had quite a pretty good discussion, Madam Speaker.

What he said to me, he said that every individual farm is different; you have some large farms; you have some farms of oh, 7, 8, 9, 10 sections; you have some farms of a quarter section. I happen to be in the half-section category. — (Interjection) — Half-a-section, that's right. I have my own railroad. It runs right down the middle of the property. It's deserted now, Madam Speaker, and the tracks are gone and the railroad ties are gone, but I do speak with some authority.

After having a very, very pleasant discussion with my friend the farmer at Menisino, we went through all of the different things, and he was telling me, Madam Speaker, that each individual farmer has his own individual, unique-type problems. I also learned, Madam

Speaker, that you know those big round bales of about 1,000 or 1,200 pounds, it requires six of those to feed an animal over the winter. Just passing information, Madam Speaker, just to show you that I do have some knowledge of the farming and cattle industry. — (Interjection) — Or a small bale a day I would think, but about six of those big bales. But it is on an individual basis, and he says you know Abe, they're coming up with a bill to help the farmer and I don't think it's going to help the farmer. The endeavour is there, but it's not going to help the farmer. You've got to start helping the farmer long before he gets into trouble.

When we were talking, the Minister of Agriculture had presented a bill a little earlier concerning — I've forgotten the name of the bill — but we were making suggestions to him about how products could be sold and marketed throughout the world, Manitoba products; the developing of different products in Manitoba.

I was looking and I was walking through the Safeway Store the other day and I see that there's products from all over the world; products that we could grow right here in Manitoba, and with a little encouragement from this government and from our government, because I'm sure that when we are government, that we will try to be encouraging these farmers to develop new products and market these products; products that I see came from Greece, New Zealand — some from South Africa because I don't think they've taken them off the shelves yet but I think that — some canned goods yes. I notice that there were blueberries from Tennessee and there were blueberries from British Columbia. We should be developing our markets here — (Interjection) — and that's how you help the farmers; that's how you help the people, and I mentioned The Family Farm Protection Act, Madam Speaker, just to make sure that I'm right on side, I'm not swaying from the subject at hand. That's how you protect the family farms and all farming operations, Madam Speaker. You give them help before they get into trouble. They're crying for help. It's like a man drowning and yelling for help, and we're saying yes we will give you some help, and we don't. This bill isn't going to give them help. He's still going to drown. It's not going to correct the situation. It's going to make the situation worse, Madam Speaker, and by far worse.

You can't fight against the lending institutions in the manner in which these bills are suggesting by suggesting a moratorium, which is ridiculous. All it's going to do — a moratorium, Madam Speaker — is to prolong the agony and maybe in one or two cases it might help. I'd be most thankful if it did, but it's going to cost the farmer additional monies because the interest carries on. You don't have to close up shop, but it does keep costing more and more money and if we're in a problem, it's a real problem, Madam Speaker.

But when we talk about the farmer or this man who is yelling for help, we seem to be deaf. We turn off our hearing aids and we turn our heads away and we don't give the farmer the help that he needs. When I was talking about having somebody giving a suggestion to the farmer before he gets into trouble, I'm talking about financial help — not in actual cash — but just being able to talk to a financial officer who would be able to make recommendations to the farmer, I think that would be great.

I know that we're going to have to hire more people to do that, but I can see the results being of such great

benefit to the farmer. I think that we should have - I know the ag rep out in my area is just fantastic. He speaks to the farmers; he suggests what crops they should be growing and things like that. Then all of a sudden I see that the ag rep at The Pas - you know I'm saying hire more ag reps and the Minister over on the government side is saying, no, we're not going to hire more ag reps, we're going to fire them, and obviously that's what he's doing. He's fired the . . . I'm sorry, we don't have an ag rep at The Pas, I'm not sure if he was fired, laid off or transferred or what.

**A MEMBER:** Transferred.

**MR. A. KOVNATS:** Transferred out of there. An important job as being an ag rep; I'm just saying how important it is and how we should be bringing in more ag reps to make recommendations to farmers who need that type of help, and it's not available to them, Madam Speaker. As I say, we correct the situation before the problem arises.

Madam Speaker, I've run into that problem before because I wear one of those things and when they bang it and the papers, it sounds like thunder, and I apologize. It was just an accident that I happened to brush by this speaker.

Madam Speaker, I've got to suggest, I hear from the Minister of Environment and from some of the other Ministers, Madam Speaker, where they're talking about the manner in which they operate their departments. I'm being consistent, Madam Speaker, where I'm going to be able to bring this in with the Department of Agriculture. But I see where every time that we ask a question of any of the Ministers on the government side we get answers something similar to this: "We're looking into the matter; we are monitoring the situation; we are observing with a view of making some decisions; we are watching the results." Madam Speaker, I am sick and tired of hearing all of these excuses. Now I apologize because now I'm going to say, I listened to all of these excuses and I condemn them because they're not moving fast enough. I think in this one case we're moving too fast. I think we are moving too fast, Madam Speaker; I don't think that this bill has really been investigated thoroughly enough to . . .

**A MEMBER:** Missed a good afternoon, Billy.

**MR. A. KOVNATS:** What has happened? Oh, am I pleased, am I pleased, because I enjoy talking about agriculture with people who know something about agriculture and I didn't make any reference to whether he was here or not, Madam Speaker.

**A MEMBER:** He just came in. You can report that, can't you.

**MR. A. KOVNATS:** I've just got to say that . . . I'm not going to repeat for the Honourable Minister of Agriculture because he's going to be able to read my remarks in Hansard and see where I'm suggesting that more ag reps be made available to help the farmer before he gets into trouble, where he can make suggestions - not only ag reps, because I don't think that their forte is financing as well. Some of them might

be, but I think we've got to get financial people that can give some help to the farmer. So he'll be able to read that in Hansard. I think it's a good suggestion, Madam Speaker. I think that when the Minister has a chance to read all of the things that I say . . .

**A MEMBER:** He'll withdraw the bill.

**MR. A. KOVNATS:** I'm sure that the bill will be withdrawn. I really have no qualms about it, Madam Speaker. I know that the Minister, being honourable, will withdraw the bill. I think the Minister has rushed into this because he has been trying to pay off an election promise, and we have a bill. It's not a matter of giving the farmer no protection. I think it's a matter of looking at the federal bill and looking at the federal bill which will give the farmer the protection that he needs. There could be some things in Bill No. 4, the Manitoba Bill 4 that could be incorporated into Bill No. C-117, Madam Speaker, which could probably improve C-117. But the Minister won't do that, he just won't give any credit to where credit is due, and this federal bill does require some credit, Madam Speaker.

Madam Speaker, I really wasn't paying too much attention to the time as I'm aware, on occasions. Can you advise if I've got more than 10 minutes or so?

**MADAM SPEAKER:** The honourable member has 20 minutes remaining.

**MR. A. KOVNATS:** 20 minutes, oh my goodness, Madam Speaker. I didn't realize that time was running down on me to that extent.

Madam Speaker, you know me as well, being an honourable member of the Legislature. If I believed that this Bill No. 4 would take the place of Bill No. C-117, I would support Bill No. 4.

**A MEMBER:** But it doesn't.

**MR. A. KOVNATS:** It doesn't and it's going to do more harm. We know what's going to happen. We know what's going to happen, Madam Speaker, because we have had all kinds of reports. I suggest to the Minister that he goes a little slower, investigate the possibility of withdrawing the bill before too long. What is going to happen if we tie the hands? I think that we've got to slow down the banking institutions from jumping in too quickly, but you can't tie their hands to the point where they are going to withdraw the credit that's available to the farm community, because it's not the farmers that are in trouble now who are going to suffer; it's the farmers with a viable operation that use bank money to run their operation. That credit will be withdrawn to a great extent. The interest rates will rise to a great extent. The cost of producing a product, an agricultural product in Manitoba will increase, so now it's going to affect the people that I represent in the Legislature. I don't like that, Madam Speaker, because the people I represent are nice people; they're average people; they try to make a living; they are good Manitobans, and now where we've had a good association between the urban and the rural area, we're at each others throats because we are trying to protect one person in a bill that doesn't do it.

I say protect them, give them the help that they need. Maybe it's subsidizing the farmer for some of his products, I'm really not too sure. But I certainly can't see them curtailing the bankers so that the interest rates will rise to such a point. It's like a dog chasing its tail, Madam Speaker. They start to chase and chase and chase and they can't ever catch up; they just can't catch up. It'll get worse, it'll get worse if this bill goes through; it'll get worse, Madam Speaker.

The bankers are . . . I was watching on television, Madam Speaker, and I was watching some of the farmers that were having some of their properties foreclosed and it broke my heart, Madam Speaker. There has to be something done to help these people. I had suggested that the help has to come in advance, not when they're in trouble. Although once they're in trouble, we can't turn our back on those people either. There has to be some help from them. I think that Bill C-117 will give them that help. Otherwise I would never condemn this bill, I would say let's take a chance on Bill No. 4. We'll take a chance if we had nothing else. But we do have an alternative, Madam Speaker, and I keep recommending that we look at the federal bill and not rush into it, Madam Speaker. The federal bill, I would think, is much, much better.

Madam Speaker, I wasn't going to go into Bill No. 4 to the extent of going through pieces about it and things of that nature because I think that the federal bill is by far better, but I don't think that I could just pass over Bill No. 4 without making a few comments. — (Interjection) — You know, Madam Speaker, I thought the enemy was on that side, but — (Interjection) — now we're going to get down to Bill 4, Madam Speaker.

Madam Speaker, a good bill has to follow the criteria of what was suggested in the Wheat Grower, and might I just say what the Wheat Grower had stated to be a good bill. There are four points - and it won't take very long, and then we'll compare Bill No. 4 with what the Wheat Grower has suggested to be a good bill.

The first point: "Good legislation would ensure that farmers facing bankruptcy are treated fairly, yet would not penalize those producers who remain viable." Well, as I had suggested, those producers who remain viable are those farmers who aren't in that much problem, but as I said, this Bill No. 4, with the moratorium and the manner in which it's presented, will increase financial rates, lending rates to those farmers, and will decrease the availability of monies to them. So those farmers who remain viable will be less viable, so the first point does not meet the criteria. The first point fails, Madam Speaker.

The second point is: "A good law should be structured in such a way that the availability of farm credit is not diminished and that the cost of this credit is not increased." Again, the same answer that I just suggested, that credit will be increased and the availability will be diminished, Madam Speaker, so Clause No. 2 also fails.

Clause No. 3 - and there's only four clauses, Madam Speaker - "Good legislation would provide the farmer with sufficient time to make new financing arrangements without removing the ability of the creditor to make a claim on assets held as security." Well, the creditor cannot take these assets as security. These are the assets that he loans money on. Again, the cost of borrowing money is going to increase and the availability

of this money will diminish again. No. 3, Madam Speaker, fails also.

No. 4: "Good bankruptcy legislation does not support the price of assets such as land at artificially high prices, and it does not make it impossible for a farmer to be forced to leave his business." Well, Madam Speaker, again, criteria No. 4 fails. It just doesn't keep up with all of the criteria, so the four criteria that the Wheat Grower lists as being the important part of good legislation, this legislation fails on all four parts, and therefore I cannot support this legislation.

If I've got any support for the Wheat Grower at all - and these people are not bankers and they're not farmers - they are bankers, they are farmers, but that isn't the part that they go on completely. They are just people who have a feeling and an understanding for people in trouble.

I mentioned about seeing the farmers on television, pretty sad the manner in which - and we've gone through this before - this government is responsible for some of the things we've gone through, where we've turned neighbour against neighbour, where we've turned friend against friend, where we've turned family against family, with some of the issues that have carried on in this Legislature in the past and it's going to happen again.

We have legislation that can save that, that's Bill C-117, Madam Speaker, not Bill No. 4, and I would do almost anything to see that we try to get along here in the Province of Manitoba. I try to get along with the Opposition party and sometimes it's very, very difficult, but we do try because it's to the best interests of all of the people in the Province of Manitoba. Madam Speaker, I really don't have too much more and I know that my time is rapidly running out.

When I was talking about the price of products that are available to people in the Safeway Store, I was telling you about when I was sent to the grocery store for milk and bread. Milk used to be, I think it was 8 or 9 cents a quart, I think - maybe as high as 10 cents - and bread was 3 cents a loaf, and unwrapped bread was 5 cents a loaf - and I can't tell you what the price of sliced bread was because I don't think we had sliced bread in those days - but wrapped bread was 6 cents, 2 for 11 cents, and I see that the prices have gone up a little bit since that time, Madam Speaker.

If the farmer was getting some of the benefits of the increased prices, or most of the benefits of the increased prices, I would be so, so happy. I'm going to, with my colleagues, we're going to work to see that the farmer is better protected by not supporting Bill 4, but by supporting Bill C-117, Madam Speaker.

Madam Speaker, I'm awfully frustrated over this whole situation. They have more members than us and the bill was presented by the Minister of Agriculture. I know when it comes right down to it, if it comes down to a vote, although there's an outside chance there won't be a vote on it, just an outside chance, because I know the Minister is still thinking about withdrawing the bill. But if it does come down to a vote, I know what's going to happen. I'm awfully frustrated. I hate being in Opposition because they have more members than us, and one day soon I would hope that the roles are reversed, so that we can do something about correcting situations such as this. I know that they have more members. They will vote and this bill will pass and some time in the future, we're all going to be able to

get up and say, damn it, I wish that we had taken a little bit more time and thought it out a little bit better because all of the difficulties and all of the wrong things that are happening now, and I wish - I know what the government members are going to say - I wish we had listened to Abe Kovnats, and the Conservative colleagues on that side and withdrawn the bill because of the problems that have arisen. I hope I'm not speaking wrongly — (Interjection) — he's not giving you some advice. Okay.

But, Madam Speaker, if we had enough members, we could defeat this bill, we really could, but we don't have enough members. I would think the government should just reconsider, and if they would do so I would be most happy and I'm going to be able to sleep well tonight if they do withdraw their bill. The only problem I have with going to bed and sleeping, I know tomorrow is going to be another problem, and when I wake up it will still be a New Democratic Party Government in power.

Thank you very much, Madam Speaker.

**MADAM SPEAKER:** I'd just like to clarify whether it's the understanding of members that we are not having Private Member's Hour this afternoon. Is that the will of the House? (Agreed.) Fine.

The Honourable Member for Roblin-Russell.

**MR. L. DERKACH:** Thank you, Madam Speaker.

Madam Speaker, I welcome the opportunity this afternoon to be able to rise and speak on the merits or the lack of merits of Bill 4. I rise this afternoon to speak on Bill 4 as a farmer. I understand the farming operation; I understand the farming system; and when the bill was introduced to the House, I was very keenly interested in what the Minister of Agriculture was finally going to do for farmers in Manitoba.

If you take a look at the name of the bill itself, the notion, The Family Farm Protection Act, is misleading because it gives the impression that there is really something in the contents of this bill that is going to help the family farm.

The contents of it are misleading, not only to the farmers of Manitoba, but also to those people who live in the urban setting, people who are not associated directly with farming because these people have the impression that all of a sudden we have a piece of legislation before us that is really going to solve all the ills that are facing the family farm.

Madam Speaker, I must say with sorrow that I cannot support this particular piece of legislation because it does not address the real concerns that are facing the family farm, that are facing farmers of Manitoba. As I stand here this afternoon, I guess I would have to appeal to the Minister of Agriculture and ask him to use common sense and to take a more practical approach in dealing with the problems that are facing farmers throughout our province.

(Mr. Deputy Speaker in the Chair)

Mr. Deputy Speaker, it isn't very often that I would ask a Minister to take a look at a bill like this and put aside for a little while the political philosophies and the fact that maybe premature promises had been made through the election for the benefit - to put those things

aside and to take a look at the practicality of helping the people in rural Manitoba who make their living off the land.

There has been a vast amount of discussion with regard to this bill. My colleagues on this side of the House have addressed the shortcomings of this bill. They have indicated where this bill fails to address the concerns of farmers in Manitoba in the hopes that somehow the Minister of Agriculture would get the message that this bill should be withdrawn; that this bill does not meet the needs of the farmers of this province.

We have also heard from other organizations. We have heard from the lending organizations of this province. We have heard from farm organizations of this province - a variety of them - who have taken a look at the bill, have seriously scrutinized it and have also voiced their concern about what would happen should this bill become law.

Mr. Deputy Speaker, if we take a look at one aspect of the bill, that being the moratorium aspect of the bill, we soon see how this bill is going to harm the farming community of this province rather than help it. I would just like to again, as has been done by many of my colleagues, underline how this aspect of this bill is going to do more harm than it is going to do good for farmers in Manitoba.

I have talked to bankers, bank managers; I have talked to farm group organizers; I have talked to individual farmers and, in each and every case, farmers tell me that what is going to be the net result of all of this, moratorium aspect of this bill, is that they are going to have to pay higher interest rates. The question is why. Well simply, the confidence is going to be taken away from the lending institutions; is going to be taken away from the farming community by the imposition of this bill upon the farming community.

It's going to be done because all of a sudden the contractual arrangement between the lending institution and between the farmer is going to be set aside and the government is going to come in and they're going to put a freeze on the aspect of a contract between that lending institution and the farmer.

Mr. Deputy Speaker, as a farmer, if I go into a bank and I present the banker with a situation where I need to borrow some funds and the banker reviews my collateral and he reviews my ability to pay, and if he says yes, I think that I can lend you the money, then we enter into an agreement; an agreement that is signed by that lending institution and by me as a farmer. I have an obligation to live up to that agreement. I don't think it's fair for the government to come in between me and that lending institution and impose something that is, in effect, going to cost me money in the long term.

It also does another thing, not just for the farmer who is in desperate financial straits, it also affects those farmers who are presently viable, because all of a sudden, the lending institutions in this province - be they credit unions or the banks or MACC as a matter of fact - are going to change their criteria for lending money to farmers. They are going to tighten up that credit. They don't really have to lend to farmers. There are many other areas or avenues of lending money that they can pursue rather than lending to farmers, so therefore, they can make it more difficult. They can

squeeze the farmer to the extent that he was squeezed when the situation arose in the 1930's, which I only hear about but which in fact is true and is fact.

We don't want to return to those days, but with this kind of legislation before us, we are going to return to those days, and we have to protect the farmers of Manitoba from getting into that dilemma. That's why I'm standing here before you this afternoon and speaking against Bill 4.

Now, Mr. Deputy Speaker, farmers who are presently viable but who are borrowing large sums of money to keep their operations going are going to be looked at by the financial institutions of this province, and they are going to be reviewed. Their collateral is going to be reviewed; perhaps they're going to be asked for more collateral; when they come back to either extend some loan or extend some operating funds, they are in fact going to be put into a watch category where they are going to be watched by the managers, by the agricultural specialists, because these are the people that may in fact be slipping into the category which is going to be affected by the bill.

Therefore, Mr. Deputy Speaker, it's going to cost every farmer who borrows funds an additional 1 or 2 percent for the funds that he is borrowing. That is the negative effect. That is one of the negative effects that this bill is going to have should it be passed.

That's why I appeal to the Minister of Agriculture and ask him to take another look at this bill and to see that it is not going to do Manitoba farmers any good and to pull it so that it's not going to affect farmers in Manitoba.

As was stated by my colleague from Niakwa, we won't be critical of him pulling that bill, and neither will farmers and neither will people in Manitoba be critical of him. Because at the present time, we do have a bill that addresses those concerns which were expressed by farmers in regard to their finances, and that is Bill C-117. Neither Bill 17 nor Bill 4 will solve all the dilemmas of the farming industry.

The dilemmas of the farming industry are far deeper than what is addressed by either Bill C-117 or Bill 4. For example, if we take a look at the grain prices. Now, I don't of too many union organizations which have taken a decrease in pay or a decrease in their working conditions or their contractual agreements with their employers over the last two or three years, but yet in the farming industry, we see vast decreases taking place in terms of the amount of income that's coming in to that farm operator.

If we take a look at the present \$3.20 per bushel of wheat, and that is for No. 1 wheat, we find that based on 30 bushels per acre, that is something less than \$100 per acre in return for that farmer. — (Interjection) — Now, if you take a look at the input costs that are required to plant that acre of ground, we're finding that it's in many instances costing more than what that farmer can get out of that acre of land.

So, therefore, Mr. Deputy Speaker, the problem is in terms of either reducing the input costs or improving the return to that farmer. That is the area that should be addressed by this Minister of Agriculture. We have offered some ways in which we can do a small part in helping that farmer. We have said that perhaps there should be a serious look at the amount of taxes that are being paid by farmers, the education tax on

farmland specifically. That is one area that can be addressed, and that is an input cost that can affect the farming community.

If we take a look at our neighbouring provinces, and let's look to the west at Alberta and Saskatchewan, and take a look at what provincial governments, and let's not talk about the Federal Government, let's talk about what the provincial governments there have done to help farmers in those two provinces, we find that we fall very, very far short of what our neighbouring provinces are doing.

It think it is only incumbent upon the Minister of Agriculture, and I'm glad he's in the House right now, to take a look at the positive effects of programs that have been announced in Alberta and Saskatchewan and perhaps to take a look at them and say, now, how far can we go as a province in helping the farmers in similar ways in Manitoba.

Instead of always pointing the finger at the Federal Government, and I'm sure he recognizes that when he's pointing the finger at the Federal Government there are three pointing back at himself, that we should be taking a look at what we can do as Manitobans for Manitoba farmers. It is his responsibility. He is in control, or is supposedly in control, of what is happening in the farm community today and what he, as a government, can do for Manitoba farmers.

The requests, the appeals have been there. He has another colleague or two on his side of the House who are farmers, and I'm sure that they have the same concerns and I'm sure that in private discussions they have offered suggestions that are far more positive than what is being addressed in Bill 4.

I know that the Premier, in the election campaign, made some premature statements with regard to how he perceived he was going to save the farm, and the term "The Family Farm Protection Act" was born and all of a sudden those kinds of statements that were made by the Premier had to be incorporated into this particular act by the Minister of Agriculture.

I think sometimes we have to bury our pride and I think this is an instance where that has to happen, where we have to say that bill does not address the concerns of farmers, let's take that off the shelf, let's pull it and let's take it back to the drawing board and see whether or not it is possible for us, as government, to come up with some positive alternatives which may, in fact, complement Bill C-117, which may in fact make it easier for farmers who are facing that dilemma to get out of it.

Why duplicate a process or try to duplicate a process and, in fact, muck it up? I don't think that makes any sense at all. I encourage the Minister of Agriculture to take a look, a very serious look, at what is happening in Saskatchewan, at the effects that the programs the Saskatchewan government has implemented are having on farmers.

Now I know what effects those are because I live right along the border of Manitoba and Saskatchewan and I very often talk to farmers who live in Saskatchewan, who farm in Saskatchewan, but who also farm in Manitoba. The government has been lenient enough in Saskatchewan to say that we will allow you, as a farmer of Saskatchewan, to apply your lands that you farm in Manitoba to the programs that we're offering in Saskatchewan. Now I think that's a forward-looking

government; I think that's a forward-looking Minister of Agriculture.

I think this Minister can be just as forward looking if he really has his priorities straight. But I'm wondering how much weight he carries in his Cabinet, because if he carries any weight and, as the Minister of Northern Affairs stated just a short time ago, if farming is in fact a priority to that particular side of the bench and if this government feels that farming is the backbone of this province, then I think this Minister of Agriculture should be able to convince his colleagues that they are not doing what is necessary for the farmers of Manitoba, Bill 4 is not addressing the problems that farmers are facing in Manitoba, and that they should, in fact, be coming up with more positive programs that realistically address the concerns that are being faced by the farmers of this province.

Mr. Deputy Speaker, what are the negative effects of the moratorium that is part of Bill 4? What are the negative aspects that it is going to have upon the farmers of this province? Well, first of all, it is going to reduce the availability of farm credit. That has been said. It's going to reduce the availability of farm credit by lending institutions, by the banks, by the credit unions and also by MACC. We can't dispute that and the Minister can't stand up and say that's not true because we have seen it happen.

This bill hasn't been proclaimed yet but we have already seen that MACC has changed their criteria for lending. They have gone the first step; they have changed their criteria for lending. They have gone to the same criteria that is being followed by the banks. The next step is going to be that they are going to reduce the availability of farm credit in the same way that lending institutions are going to reduce it when this bill is introduced.

Mr. Deputy Speaker, the other negative aspect that would come about by the passing of this bill would be the cost of credit would increase. I have mentioned this before. This has been mentioned also by my colleagues. The cost of credit would increase anywhere from 1 percent to 2 percent, depending on what that particular farmer's situation is. But it would also increase by a certain percentage to those farmers who are still viable and who are borrowing great sums of money.

The moratorium aspect of this bill would also penalize, as I said, those producers who are viable. Anybody who borrows money in the farming field would be penalized. And how would they be penalized? First of all, increase the cost of credit, more stringent regulations regarding the availability of credit and putting viable farmers into the watch category.

The other thing that it does, Mr. Deputy Speaker, is it puts everybody who lends money or who has a credit with farmers on pins and needles because now those people who are suppliers of fertilizers, of chemicals, of machinery parts, all of a sudden these people are nervous about what the effects of this bill are going to do. They are going to tighten up their purse strings and they are going to tighten up the availability of credit that they have to farmers as well. So it puts a farmer into a very, very precarious situation, one which he is really not responsible for getting into because this position that he has been forced into has been brought about by the passing of Bill 4.

Bill 4 seems to pit the lending institutions against the farmers. Mr. Deputy Speaker, it paints the lending

institutions as the bad guys. They are the ones who are responsible for the dilemma that the farming industry finds itself in. They are not; they are not the bad guys. They are the ones who have lent the money. Now, they have entered into contractual agreements with farmers. Credit unions are the biggest lenders to farmers in this province. Are they the bad guys because they have lent farmers money? The interest rates are there. When the farmers can't pay back that money, what do they do? They have to realize on their security. Anybody is going to do that.

Bill C-117 addresses that dilemma because the farming industry is in such desperate straits. So Bill C-117 says, okay, we'll have debt review boards and then a farmer can apply to that debt review board or the lending institution has to make application to the debt review board to in fact realize on their credit or to take a look and see whether that farmer's finances can be restructured in such a way that he can still be viable, still continue in the farming industry and somehow make payments to come good for the commitment that he has made.

Time and time again, we have heard members on the other side of the bench here get up and say the lending institutions are the bad guys; they're the ones who have created this mess. They imply that by the comments they have made, that it is the banks who are the terrible people in this situation. Yet these lending institutions can cut off farm credit because they don't need to lend to farmers. Then where are we going to be? Are we going to be back in the same days that we were in the 1940's and 1950's where farm credit was very difficult to get, where a farmer had to have 50 percent of the money and the other 50 percent had to be in collateral in order to be able to get the loan?

Well, if we ever go back to those days, Mr. Deputy Speaker, I think many of our farmers, many of our young farmers in this province, will abandon the farms, will hand the keys to their farms back to the government, in many instances to the lending institutions, and will try to make their living in another way of life.

Mr. Deputy Speaker, we need those farms. I am a farmer. I'm farming not because there's a great amount of money in it, it's a way of life I enjoy. Secondly, it's something that I know, I am familiar with doing, and sure, I can be retrained, I suppose. As a former teacher, I could go back teaching, I suppose, but the attitude of farmers is one of pride. They are proud in what they own, they are proud in being farmers. They don't like to see that the equity that they have worked so very hard for slip out from under their hands and be taken away because, for example, of a bill like this being introduced.

What percentage of farmers is Bill 4 going to save? What percentage? Has the Minister really done his homework in realizing that Bill 4 will only save a very, very minimal number of farmers. Very few farmers are going to be saved by Bill 4.

There are those farmers who cannot be saved. There's a variety of reasons why farmers are in the dilemmas that they're in. One of the reasons is the economic situation in terms of the agriculture industry.

Another reason is some farmers got into farming the same time I did, about 10 years ago. At that time, land prices were high, machinery prices were very high, commodity prices weren't bad either. There was a need

for increased production. — (Interjection) — Yes, we call those the good old days. We went to the lending institutions and asked for money, the lending institutions said the farming industry, the farming future, looks bright and we can lend you the money.

(Madam Speaker in the Chair.)

Well, five years later, Madam Speaker, we found that the situation changed drastically and we have been going downhill since. Those farmers who expanded their operations rapidly, who borrowed excessive amounts of money for increased land, for increased machinery, all of a sudden found that interest rates skyrocketed and they could hardly meet their commitments. This year, with the decrease in prices of grain, they cannot meet their obligations, and that is why we need some kind of legislation before us, not Bill 4, but some kind of legislation which is going to address the dilemma that's being faced by farmers this year.

I ask the Minister of Agriculture to take a very serious look. I ask the Minister of Agriculture to take a good look at what's happening in Saskatchewan and take a look at how the positive effects of that program are being handled by farmers in that province. The farmers are not complaining as severely in Saskatchewan and Alberta as they are in Manitoba because they've had some positive effects from their government. — (Interjection) — Yes, they've got a moratorium, but in fact their moratorium is opposite to what your moratorium is that you're proposing here.

The fact, Madam Speaker, is that it is not the moratorium aspect in Saskatchewan that is helping the farmers, it is the fact that the government has given them such things as a \$25 per acre grant to run their farms. The government has also given them a rebate on their fuel taxes. Now, those are positive aspects.

What have we got here in Manitoba? We've got the Minister of Agriculture, we've got the First Minister pointing fingers at Ottawa and saying that it is their responsibility; they should be the ones who are doing it. And what is this particular government doing? Well, waiting around and seeing. We've got something here called The Family Farm Protection Act. I think they're more mesmerized by the title than they are the contents of it, and they think the simple title of it is going to save farmers. Well, I'm afraid that's not going to happen.

Bill 4 is going to cost farmers in this province heavily. If the Minister is listening to the farm groups who are addressing this particular bill, if he's listening to the lending institutions, if he's listening to farmers in this province, he will withdraw this bill because it is not helping the farm community. It cannot help the farm community and that has been told to him time and time again.

He said he had support for this type of legislation when he met with farm groups throughout the province. Well, Madam Speaker, our caucus also met with farmers throughout the province and, yes, there was concern about what was happening with the high rate of interest, with farmers not being able to repay their loans. But the farmers certainly did not want this particular kind of legislation before them. I think it was obvious then, but for some reason the Minister didn't get that message when he went and talked to farm groups and now the reaction is there. The negative reaction is there.

The Minister can't withdraw it right now because he feels squeezed between what his leader may perhaps want and the philosophical ideology of his particular party, and the fact that he may in fact be embarrassed by withdrawing it. Well, let him not fear, Madam Speaker, because as has been stated before, we are going to congratulate him if he withdraws this bill, if he uses his common sense, takes a practical approach, and withdraws this bill from the House and opts out for some kind of different legislation which will be more positive to the farming community which will help us as farmers. He is a farmer as well, so perhaps in effect it might help him or his family.

So, Madam Speaker, in concluding I would just like to say that I am very adamantly opposed to this bill, and it is my hope that the Minister of Agriculture will use some practical common sense and will withdraw this bill so that farmers will not be adversely affected in the future by the passage of such negative legislation.

Thank you very kindly.

**MADAM SPEAKER:** The Honourable Member for Transcona.

**MR. W. PARASIUK:** I have in fact been given some information by members of the Opposition which I frankly took the time to read because it, in part, peaked my interest in the debate on this bill because of their comments about how negative it was. I have been paying a lot more attention to the debate that's taken place over the last few days on Bill No. 4, and it's raised some points in my mind that I want to bring forward within the Legislature.

I think there is no disagreement that we have a very serious crisis in agriculture in Canada. That is a point of agreement on both sides of the House. Some people have said that this is at least as bad as the Sixties; I think it's a lot worse than the Sixties. I think it goes back to the era of the Depression and I think it's comparable in terms of crisis to that time.

I think what's happening is that there are two different approaches being put forward as to how one deals with the entire agricultural community in this time of crisis. I think in a sense it reflects how people view society as well.

Now, what we are being told is that this bill will cost farmers more for their money. I don't think there's disagreement with that. I think it's going to cost some farmers more - that's correct - just like any problems in the banking community, in the financial community, cause everyone to pay more for their money. When we had a recession, a very severe recession, three and four years ago, that caused all people to pay more for their money. When we had the problems with Dome Petroleum related to energy prices and their overextension promoted by the banks, that risk factor that was out there cost all of us to pay more for our credit. So I won't disagree with the Opposition when they say this is going to cost us a bit more money.

At the same time I say what is the logical conclusion of their position? The logical conclusion to me says let's get rid of all the high-risk farmers and just leave low-risk farmers in the field of agriculture, because then if we only have low-risk farmers left in the field of agriculture, the cost of our borrowing might be lower.

If we got rid of all high risk businesses in the country, small businesses that are working very hard, resource companies that are going through structural change, and there's a lot of change taking place in world markets, but if we got rid of all those people at any risk, we'd only be left with low-risk people and our cost of borrowing money would be less. But what type of view society does that reflect? To me, it reflects the preaching of an economic Darwinism, and there is where you have a difference. — (Interjection) — I hear the member say that now we're going to talk about socialism.

If one is saying that socialism is the alternative to economic Darwinism and to social Darwinism, let me tell you, 99 percent of the people in this country are socialists, because let me tell you what economic Darwinism reflects and let's have some analogies. You have a herd of caribou going across the plain and there are some that are weaker — there are some that are weaker and the wolves trailing the pack of caribou wait to pick out the old, the weak, and the infirm. What happens? Do the other caribou say no, let's protect all the people in our pack, or all the entities in our pack? No. They let those off to die and that's Darwinism, survival of the fittest.

We have said that as a society, we've used civilization quite a bit differently. We will do a lot of exceptional things to protect the weak, the infirm, and the weaker, especially in a time of crisis. We all agree that there's a crisis, and therefore what I'm saying is that this bill recognizes that there is a crisis.

We are going to do some unusual things for a period of time. We will set up a set of instruments, which we won't necessarily use as a vehicle of first resort, because when people talk about the moratorium, they like to raise the boogeyman of the moratorium by saying that that will be used right off the bat, it'll be used immediately, and that's not what this legislation says at all. It says that it will be an instrument which can indeed be used if the crisis gets worse, if there are severe regional implications, and if the actions of the financial institutions warrant the use of this very serious instrument, but we are arming the people with that instrument.

When I hear people on the other side saying, well gee the banks aren't the bad guys, I'm not sure one can say that the banks have been the good guys over the last while, because a lot of people have been induced into their financial situations by the banks. When things got tougher because of circumstances completely beyond the control of the farmer, then people tried to put on the squeeze. Who did they put it on? Have they put the squeeze on the strong? No, they put the squeeze on the weak.

Where has the Federal Government generally responded? Has the Federal Government responded with a volume of money on a per capita basis for farmers that match the bailouts that they put forward for the giants in the oil industry, or for the large financial institutions or the banks? Not at all. Why? Because those were big, those were powerful people; those were powerful entities, so you put the support in for them. There's this old saying that if you owe the bank \$100, you don't sleep; if you owe the bank \$100 million, the bank doesn't sleep. So what happened, I'm not quite at the \$100 million level . . .

**A MEMBER:** You're close.

**MR. W. PARASIUK:** Getting there, getting there, so I know of what I speak. You people can't have it both ways by saying the poor New Democrats don't know a thing about the business world. I know of what I speak. Let me tell you, my banker has been having a lot of sleepless nights.

But you are preaching, in my estimation, a type of Darwinism which I think is the wrong type of Darwinism for this time and this period, for a three-year period or a five-year period, because I believe we're going to go through a three, five, maybe ten-year transition. Who would have thought that we'd ever run into a situation where we, as a country, followed the American pressure and stopped sales to the Soviet Union and now we find ourselves, a few years later, very vulnerable as an agricultural community because the United States is subsidizing sales to the Soviet Union. Who ever thought that the world would turn upside down like that in the short space of four years, five years, and that's exactly what's happened.

So is the farmer to blame for having to exist in this topsy-turvy world, where he can't predict what his prices are going to be; he can't predict what the demand is going to be? I just mentioned to one of the members opposite earlier today, in a clandestine place, that I was reading a little note in the Free Press which indicated that a survey of farmland values in the United States indicated that farmland values in the state of Minnesota have declined by some 55 percent over the last six years. Well that changes very dramatically, the financing ability of a farmer and it changes very dramatically his or her vulnerability. I say that in that type of free-fall prices, one should bring forward an act like Bill 4. One shouldn't use it as an instrument of first resort, one should use it judiciously; by doing that, we are communicating to all the farmers, the viable farmers, those at the margin, those that we hope will still be farmers five years from now, that we are going to do everything possible; and we, as a society, including people within the agricultural community, will have to make some sacrifices to care for each other.

We have that policy, when a boat hits the iceberg, it wasn't women and children stay on the boat and the strong-abled men will get in the lifeboats. That's not the position we, as a society, take because we have a certain value system attached to the society that we live in. I think that this bill is trying to reflect that value system we have. Now maybe it does go counter to the market somewhat; maybe it does add some costs to credit, and I acknowledge those, but it does reflect our view of society.

Now to me a legitimate argument to have, it's to say, let's debate the whole issue, should we have maybe 15, 20, 25, 30 percent fewer farmers in Canada. That is a valid policy debate. Then the lines of debate are quite clear and people say we only want survival of the fittest, this is a competitive world out there, and to me that's a legitimate type of argument to put forward. It's not one that I agree with. I can have some sympathy with it from time to time because of the frustrations of trying to exist in the international economic order, and finding ourselves running into entities like the United States or common market entities which have a lot of

clout and makes things very difficult for our farming community. So every once in awhile my resolve weakens, and I think well maybe that's a better alternative, so I do say that that's a legitimate argument to have or a legitimate debate to have. I would listen to both sides of it.

I think at this particular stage, I'm still willing to put the extra money in, possibly — (Interjection) — well we are putting money in. I'm going to be putting money in. I have money in the bank and I'm willing to take a bit less on that. I believe that most of the other people in this country are willing to do the same thing, except a few of the farmers who may come along - and I expect that some of them will come to the committee. I don't think that the poor destitute farmers will come to the committee. I don't think that people contemplating suicides - and we've heard of people contemplating suicide in the agricultural community because of farm foreclosures or threats of foreclosures. I don't believe that those people will come to the committee and plead their poverty, so they won't be there. So they won't be there saying we need something like this.

The people who will come to the committee will be farmers who will come there, saying I don't want to pay one-quarter of a percent more. I don't want to pay one-half percent more. Those are the people that we will hear. Now will they be representative of all the agricultural community, and will they be representing a value system of our society which we feel that there's a consensus about? I say no. But I'll be prepared to listen to them because I think that one should listen to people coming forward, but I'll be looking very closely to see the balance of representation that does come forward when this bill does ultimately go to committee. I believe that this bill is only one piece. It's not the whole umbrella, we've never said that. But I think it does provide for mediation, and when people say they don't trust judges or the courts, that it's going to be caught up in long-tangled processes, I do not believe that to be the case. But, there's been some of that said, no, no, there's been some of that said in the debate here, and I find that a bit incongruous, and if you look through the debate in Hansard, I think you may even find the Member for Gladstone had said something like that, that maybe they won't be responding quickly enough, and I'm pretty sure that I wrote that little note down when she was speaking.

So we do have a process of mediation, and we do have the power, we will have the power to establish moratoriums if conditions warrant. We're not saying we're going to proclaim a moratorium next week or six weeks from now or six months from now, but we do give ourselves that type of power, and I can recall when the Member for Arthur was Minister of Agriculture. We raised the whole question of moratoriums. And he said, well, we'll look at it, I'll have some discussions, and if conditions warrant, we'll come back to the House and we'll consider bringing in legislation. That's what he talked about, about four or five from now.

What we are saying, we're going to give ourselves the instrument without having to call back the Legislature, because we see that the crisis has deepened over the last five years. All we're doing is giving ourselves that instrument, we established the process of mediation, we say that there's a lot more

required and when I hear the Member for Roblin-Russell say that a lot more is required, I agree with him. I agree with the Member for Roblin-Russell. The Premier of Saskatchewan is asking the Federal Government to increase deficiency payments by what? One billion dollars or five billion dollars? Does he expect the Federal Government to respond on that? Should they respond on that? Has he said anything in the last 40 minutes about that? No, he kept that very quiet. — (Interjection)—

**MR. J. DOWNEY:** I wonder if the member would submit to a question.

**MR. W. PARASIUK:** I'd be delighted, yes.

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

**MR. J. DOWNEY:** Madam Speaker, the Minister is making quite a case — (Interjection) — the former Minister is making quite a case for the immediate concerns of the farmers, those people who are immediately hardpressed. Some of those people I'm sure he's talking about are being sent bills or are going to receive an increase in the premiums paid for the Beef Program or a reduction in their support programs; in fact, will have to pay money back to the province. Will he be encouraging his Minister of Agriculture not to change the regulations or the pay-back on the Beef Program?

**MADAM SPEAKER:** The Honourable Member for Transcona.

**MR. W. PARASIUK:** . . . not asking me questions about this bill, not asking me questions about the arguments that I've put forward, but asking me some other questions about some other program put forward by the Minister of Agriculture. Let me tell you, having watched the performance of the previous Minister of Agriculture in the Lyon Government, where that government did precious little, virtually zero with respect to the agricultural community because they were going to be rugged individualists, Madam Speaker, and they were complete and total failures at doing that.

When we compare that performance to the performance of the present Minister of Agriculture, who in my estimation, has been the best Minister of Agriculture that this province has ever had. I think that people in the agricultural community right across this province acknowledge that, even people in the constituency of Arthur, Madam Speaker. I would, in fact, have a lot have a lot of credibility in the Minister of Agriculture applying a set of rules fairly and equitably to all the farmers of Manitoba who participated in that program.

I'm certainly backing the Minister of Agriculture in the programs that he's put forward. Any more questions? — (Interjection) — I don't mind that but any more questions?

Now, I'm pleased to acknowledge a question for the new critic for agriculture.

**MADAM SPEAKER:** The Honourable Member for Virden with a question?

**MR. G. FINDLAY:** Yes, I would like to ask the member if he would answer a question? — (Interjection) —

**MADAM SPEAKER:** Order please.

**MR. G. FINDLAY:** Madam Speaker, I would ask the Member for Transcona if his party in 1981 didn't go on the election trail and say that not one farmer in Manitoba would lose his farm under that administration, and I would ask how many lost their farm since that point in time?

**MR. W. PARASIUK:** Well, that's a somewhat better question. I can see why the Member for Virden is now the agricultural critic.

However, we made the commitment that we would do everything possible to ensure that. Why? Because it reflected our view of society, that we shouldn't let market forces by themselves - markets forces that are completely beyond the control of individual farmers, put farmers out of business. We said we would do everything possible. We haven't followed the Ronald Reagan approach.

Remember the Ronald Reagan approach of a few months ago where he was saying, don't come to me folks. That's exactly the approach he was taking and what was the farming community in the United States saying about that? They said, that's not our view of society. We believe that there has to be a caring, compassionate society for all sectors; the rich and the strong also look after those who are poor, those are disadvantaged, and those who are hurt by circumstances beyond their control.

I come back to my final point on this. It may be that at some time in the future, we may have to determine how much we as government at the provincial level or the federal level put into agriculture, and say are we getting good value for that, and say well, maybe we have to then pursue a more Darwinian approach with respect to agriculture.

I'd say that would be a legitimate debate at some stage in the future. I'd give it another five years, but until that time comes, we on this side of the House will do everything possible to spread that risk out - maybe increasing the risk - but spreading it out to all people so that as many farmers as possible come

through this crisis, so that if there's an upturn in agricultural prices - as there was in the Seventies - because of things again totally beyond the control of the farmers, they were in a position to be there and take advantage of that.

That's our position. It's about a three, five year horizon. It doesn't address that question that may have to be addressed in five years time. I may be around here in five, the Member for Virden may be here in five years as well, and it may be that we have to come to grips with that larger question, but in the interim, I certainly am pleased to support Bill No. 4, which I think reflects our position of society; our position with respect to what we as a society should be doing for all farmers in Manitoba.

**MADAM SPEAKER:** The Honourable Member for Springfield.

**MR. G. ROCH:** Yes, thank you, Madam Speaker.

I'd like to move, seconded by the Member for Gladstone that we adjourn debate on this bill.

**MOTION presented and carried.**

### **BILL NO. 12 - THE LEGISLATIVE ASSEMBLY ACT**

**MADAM SPEAKER:** On the proposed motion of the Honourable Attorney-General, Bill No. 12, standing in the name of the Honourable Member for St. Norbert.

**MR. G. MERCIER:** Thank you, Madam Speaker.

We're prepared to pass this bill to committee.

**MADAM SPEAKER:** The motion then before the House is Second Reading of Bill No. 12.

**QUESTION put, MOTION carried.**

**MADAM SPEAKER:** On the proposed motion of the Honourable Minister of - is it the will of the House to call it 5:30? (Agreed)

The hour being 5:30, the House is now adjourned and stands adjourned until 2:00 p.m. tomorrow (Thursday).